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Fifth Committee

Summary record of the 4th meeting
Held at Headquarters, New York, on Monday, 13 October 2003, at 10 a.m.

Chairman: Mr. Kmoníček ..... (Czech Republic)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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03-55430 (E)

The meeting was called to order at 10.05 a.m.

Agenda item 124: Scale of assessments for the apportionment of the expenses of the United Nations (*continued*) (A/C.5/58/L.2)

Draft resolution A/C.5/58/L.2

1. **Ms. Fogh** (Sweden) introduced draft resolution A/C.5/58/L.2 on behalf of the Chairman.

2. **Mr. Farid** (Saudi Arabia) drew attention to an omission in the Arabic version of the draft resolution.

3. **The Chairman** said that the Secretariat had taken note of the problem and would make the necessary correction.

4. *Draft resolution A/C.5/58/L.2 was adopted.*

5. **Mr. Tankoano** (Niger) thanked the Committee for supporting his delegation's request for exemption under Article 19 of the Charter.

6. **Mr. Elji** (Syrian Arab Republic), speaking on behalf of the Group of Arab States, said that he wished to underscore that, in accordance with the understanding reached in informal consultations, the inclusion in paragraph 3 of the draft resolution of the phrase "noting the observations in paragraphs 82 and 90 of the appendix to document A/C.5/57/39" did not imply acceptance of those observations. Concerning paragraph 82 of the aforementioned document, he said that the decision by the Committee on Contributions to review any future requests from the Comoros for exemption under Article 19 in the light of its payment record was not in conformity with the Committee's legislative mandate. The economic, social and other crises facing the Comoros, which had not benefited from the Heavily Indebted Poor Countries (HIPC) Debt Initiative, would prevent it from paying the full minimum amount necessary to avoid the application of Article 19. Lastly, he reaffirmed the commitment of the Arab States to pay their assessed contributions in full, on time and without conditions.

7. **Mr. Poukré-Kono** (Central African Republic) thanked the members of the Committee who had supported his delegation's request for exemption under Article 19. His Government would strive to respect the payment schedule established.

Agenda item 125: Pattern of conferences (A/57/783 and A/57/809; A/58/7 and Corr.1 and Add.1, A/58/32, A/58/194 and Corr.1 and Corr.2 and A/58/213)

8. **Mr. Tal** (Chairman of the Committee on Conferences) said that the report of the Committee on Conferences for 2003 (A/58/32) covered its work since the 2002 substantive session and included specific recommendations to the General Assembly and guidelines for the Secretariat. The Committee on Conferences had adopted all of the report's conclusions and recommendations by consensus. Following the practice which the Secretary-General had begun in 2002, it had chosen to submit two consolidated reports rather than several separate reports, making its consideration of the issues involved more cohesive.

9. The Committee on Conferences had decided to recommend, through the Fifth Committee, a draft resolution for adoption by the Assembly. The draft resolution, contained in annex I to the report, reflected the discussions that had taken place during its substantive session, and it hoped that the draft resolution would make its advice to the General Assembly more relevant.

10. Observers had taken part in the work of the Committee on Conferences in increasing numbers in the previous three years, indicating greater awareness of its relevance. Delegations interested in becoming involved, particularly in drafting activities, had been urged to seek full membership through their regional groups.

11. The Committee on Conferences had considered biennializing the item entitled "Pattern of conferences" in the agenda of the General Assembly. While the idea had gathered some support, the wide-ranging reform under way in the Department for General Assembly and Conference Management meant that it was too early to take a decision on the matter.

12. Under the draft resolution, the General Assembly would approve the draft biennial calendar of conferences and meetings of the United Nations for 2004-2005 and authorize the Committee on Conferences to make any adjustments necessitated by actions or decisions of the Assembly at its fifty-eighth session.

13. The draft resolution also referred to the utilization of conference-servicing resources and facilities. The Committee on Conferences had noted

that the overall utilization rate for such services at the Organization's four duty stations, 75 per cent in 2002, had shown a slight improvement, but that that figure was 5 per cent below the benchmark established by the General Assembly and caused an unacceptable loss of resources. As Chairman of the Committee, he had consulted with the chairpersons and secretaries of bodies which had underutilized their allotted resources for three consecutive years to urge them to make appropriate changes in their working methods. Some of those bodies had argued that more account should be taken of the informal consultations which followed their formal meetings. The Committee on Conferences had emphasized that the Organization must accommodate the needs of each body, while not being too lenient, and that planning accuracy should be taken into account.

14. In considering the provision of conference services to regional and other major groupings, the Committee on Conferences had noted that, while 98 per cent of meetings had received conference services in 2001-2002, the figure had decreased to 92 per cent in 2002-2003. Providing services for such groups facilitated the work of the Main Committees of the General Assembly and other United Nations bodies, but the Committee on Conferences had not been able to consider the matter further without the report of the Secretary-General on the cost implications of providing more predictable and adequate conference services to the meetings of regional and other major groupings of Member States, which had since been issued (A/58/397).

15. With regard to the use of conference facilities and services at the United Nations Office at Nairobi, the Committee on Conferences had expressed concern that resources still appeared to be inadequate. Further reporting on the improvement and modernization of the facilities there would take place through the Advisory Committee on Administrative and Budgetary Questions (ACABQ). The Committee on Conferences had noted the improvements at the conference centre of the Economic Commission for Africa, which had resulted in an 80 per cent increase in occupancy in 2002 compared with 2001.

16. With regard to the reform for the Department of General Assembly and Conference Management, the Committee on Conferences had considered the report of the Secretary-General (A/57/289) in detail and had stressed that reform should be aimed at improving the timely delivery of documentation and the quality of conference services. It had asked to be kept informed of the results of the planned study on the integrated global management of conference-related resources.

17. It had welcomed the move towards consolidated and more focused reports, and had requested information from the Secretary-General on page-limit compliance for documents not originating within the Secretariat. The Committee on Conferences had noted that a comprehensive review of workload standards and performance measurement had been planned and requested a thorough cost-benefit analysis of the current approach to summary records and a review of the list of bodies entitled to them. It had recognized the importance of user satisfaction in conference management, and urged a broadening of that approach. It had asked the Secretary-General to provide assistance to Member States in the electronic submission and retrieval of documents where required and to maintain the principle of concordance for all resolutions.

18. With regard to documentation- and publication-related matters, the Committee on Conferences had not considered 2003 to be the best time to consider such issues in detail, but it had requested that the rules on the simultaneous distribution of documents in all the official languages should be respected in the Official Document System (ODS) and on the Organization's web site, and that documentation should be made available in all the official languages in accordance with the six-week rule. It had welcomed the progress made in integrating information technology into management and document-processing systems, and urged that such actions should be taken for all duty stations, especially Nairobi.

19. The Committee had been pleased with the reduction in requests for exceptions to section I, paragraph 7, of General Assembly resolution 40/243, and recommended that the General Assembly should explicitly authorize four bodies to meet in New York during the main part of the fifty-eighth session.

20. He hoped that the Fifth Committee would adopt the draft resolution without the need to re-open the debate.

21. **Mr. Chen** Jian (Under-Secretary-General for General Assembly and Conference Management), introducing the report of the Secretary-General on reform of the Department for General Assembly and

Conference Management (A/58/213), welcomed the innovative approach of the Committee on Conferences, which had proposed elements of a draft resolution on pattern of conferences in its annual report (A/58/32); that initiative should facilitate the work of the Fifth Committee. The reform of the Department for General Assembly and Conference Management was aimed at improving the quality, timeliness and cost-effectiveness of the Department's performance. Unlike previous reforms, the current endeavour was clearly targeted, results-oriented and time-bound. The Department was focused not just on making organizational changes, but on achieving synergy. The incremental approach it had adopted, while perhaps not the most desirable, was certainly the most practical one.

22. He was pleased to report that the Department had made progress in most areas, without its normal operations being affected. The proactive forward planning of the technical secretariats of the General Assembly and the Main Committees had contributed to the smooth and effective conduct of the work of the intergovernmental bodies. For example, the early availability of the draft programme of work for the plenary of the fifty-eighth session of the Assembly had facilitated preparations by Member States and would be critical to the success of the slotting system for the submission of documents.

23. Steps had been taken to improve the quality of the Department's performance, particularly the linguistic quality of its output, through, inter alia, training and internal quality control. The Department's exchanges with Member States on the use of the six official languages had produced constructive feedback.

24. In the area of documents management, the slotting system had led to an initial improvement in the timeliness of submission of documents by author entities; that would result in more timely issuance of documents by the Secretariat. There had also been gains in compliance with the page limits for reports originating in the Secretariat. As to conference management, greater predictability and stricter adherence to the calendar of conferences and meetings had led to more rational planning and more cost-effective delivery of services.

25. Information technology was now playing a much more prominent role as a strategic tool: an electronic version of the *Journal of the United Nations* provided access to meeting information and documents; e-Meets was up and running and would soon be expanded to include information from other duty stations and provide services to other Secretariat departments and Member States; the e-Conveyor system had been designed and tested and a prototype was expected to be operational by year-end.

26. Most significantly, the Department had been able to achieve a sound budgetary position through more cost-effective provision of meetings and documentation services to the intergovernmental bodies and reductions in overexpenditure in such areas as temporary assistance for meetings and overtime. In order to tackle overexpenditure beyond its control, the Department would work with the other parties concerned.

27. As a first step towards its ultimate goal of electronic processing of documentation, the Department had introduced e-flow, a system for the electronic transmission of documents. A first batch of printing-on-demand equipment had been installed as part of a mix of traditional and modern technology that would respond to varying needs in the most cost-effective manner. The pilot project involving the completion of the concordance of draft resolutions prior to their adoption by the General Assembly was to be expanded during the fifty-eighth session to cover not only the First Committee but also the Fourth and Sixth Committees. While it would be desirable to extend the practice to all resolutions, as the Committee on Conferences had recommended, that would require changes in the working methods and programmes of work of the plenary and the other Main Committees. The Department would work with Member States to find a solution.

28. The Department intended to build on its successes thus far by launching new projects. It had begun a comprehensive study on the integrated global management of conference-related resources covering Headquarters in New York and the United Nations Offices at Geneva, Vienna, and Nairobi. The project, which would be implemented in collaboration with the Office of Internal Oversight Services, would focus on developing clear guidelines, devising a practical approach and recommending an operating model for the central monitoring and coordination mechanisms.

29. The Department had also set up a task force to conduct a comprehensive review of the current workload standards for language staff. Performance measurement would be an important subject of the

review. The paramount concern would be to enhance the quality of the Department's outputs. In that connection, he noted that supplementary information on the staffing levels and productivity of two divisions of the Department had been distributed to delegations at the request of one Member State. The statistics provided, however, were based on traditional methods of calculation and were not therefore an accurate measure of the performance of the staff concerned.

30. Efforts were already under way to consolidate reports on related subjects and enforce the limits on the length of reports originating in the Secretariat. In addition, task forces would be set up to address the issue of reports that were not within the purview of the Secretary-General and to propose solutions.

31. While the past year had been difficult, the Department was now moving in the right direction. Its achievements had been due in no small part to the encouragement and guidance received from Member States and, in particular, from the Fifth Committee and he looked forward to benefiting further from the expertise and insight of its members.

32. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) introduced the related report of ACABQ (A/58/7/Add.1). The Advisory Committee's first report on the proposed programme budget for the biennium 2004-2005 (A/58/7 and Corr.1), which also dealt with matters related to the pattern of conferences, particularly in paragraphs I.30 to I.87 and II.2, would be introduced subsequently, in the debate on the proposed programme budget. In its second report (A/58/7/Add.1), the Advisory Committee recommended, in paragraph 3, the approval of the amount of $1,427,000 requested in the proposed programme budget for renovation and modernization of the conference facilities at the United Nations Office at Nairobi. Any further such requests would be treated in accordance with the procedures outlined in the Advisory Committee's report on building construction procedures (A/36/643).

33. In the fourth line of paragraph 4 of the report, in which the Advisory Committee referred to the concept of "integrated global management of the Department", the words "the Department" should be replaced by "conference-related resources". The Advisory Committee strongly believed that an interactive capability among the various systems used by the duty stations to track conference-servicing capacity was an essential prerequisite for global management.

34. **Mr. Martini** (Italy), speaking on behalf of the European Union, the acceding countries Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia, the associated countries Bulgaria, Romania and Turkey, and, in addition, Iceland, Liechtenstein and Norway, said he welcomed the draft resolution which the Committee on Conferences proposed for adoption by the Fifth Committee, noting that it was the first time that it had done so. The European Union attached great importance to the quality and efficiency of conference services, which affected the ability of the intergovernmental bodies to work smoothly. Linguistic diversity must be respected when organizing conferences.

35. Underutilization of conference services by a number of bodies was causing concern, as it wasted resources. The European Union valued the steps taken by the Chairman of the Committee on Conferences to improve the situation, and supported the proposal for consultations between the Secretariat and the chairmen of the bodies concerned.

36. Implementation of the reform of the Department for General Assembly and Conference Management approved by resolution 57/383 B was a positive step. As the Committee on Conferences had pointed out, the reform should improve the quality, efficiency and effectiveness of conference services, including translation, interpretation and editing, provided to Member States. Documents should be made available in advance of their consideration by intergovernmental bodies. The ban on night and weekend meetings had improved the organization of work and had reduced costs; it should be strictly applied. That policy could serve as an example for improvements elsewhere. In that connection, the Committee on Conferences should enforce respect for the calendar of conferences and the time allotted to intergovernmental bodies.

37. The European Union supported the proposal for a comprehensive study on the integrated global management of conference-related resources, to be conducted in collaboration with the Office of Internal Oversight Services (OIOS), and called for close cooperation among duty stations, with respect for their operational independence, to promote synergy and disseminate service standards. It also backed the

proposals of the Secretary-General to provide public access to the Official Document System (ODS) and to embark on a study of workload standards and performance measurements.

38. **Ms. Ebbesen** (United States of America) said that her delegation welcomed the reports of the Secretary-General on the pattern of conferences (A/58/194 and Corr.1 and Corr.2) and on the reform of the Department for General Assembly and Conference Management (A/58/213), and endorsed most of the conclusions and recommendations in the report of the Committee on Conferences for 2003 (A/58/32). It regarded the report of the Secretary-General on reform of the Department for General Assembly and Conference Management as a positive sign for the future of conference servicing and as the first phase in what it expected would be a process of continuing improvements. It hoped that the Member States would give careful consideration to the draft resolution of the Committee on Conferences, in order to avoid a protracted debate, since the Fifth Committee had a very full agenda. Her delegation was in favour of biennializing the item entitled "Pattern of conferences", as had been done with human resources and the budget, in order to promote better working practices in the Fifth Committee and to allocate appropriate time to that important topic.

39. As a strong and consistent supporter of United Nations reform, her delegation supported the proposals of the Secretary-General regarding the United Nations Repertory of Practice and the secretariats of the Fifth and Sixth Committees. Those measures would increase efficiency and promote the kind of priority-setting which the Organization needed.

40. The steps taken to reduce the documentation backlog through upstream planning, a slotting system, electronic document processing and the strict enforcement of page limits were a major step in the right direction. The Department should continue its improvements. That was particularly important in the area of summary records; her delegation supported the wording in the draft resolution proposed by the Committee on Conferences, which called on the Secretary-General to make a cost-benefit analysis of the current approach to summary records, to review the list of bodies entitled to them, to assess their relevance and to provide effective and financially sound alternatives. It also supported the efforts of the Department to conduct a comprehensive study of global management, with the full and equal participation of all duty stations and of the Office of Internal Oversight Services. It appreciated the online version of the *Journal of the United Nations* with its hyperlinks to documents and had been reviewing its own use and distribution of hard-copy documentation with a view to reducing waste by using the available online resources, especially the Official Document System (ODS). It wished to encourage other Missions to do the same.

41. The underutilization of conference services was a matter of concern, as the Committee on Conferences had pointed out. The resulting loss of resources could be avoided if the chairmen of the various committees planned appropriately and communicated closely with the Department for General Assembly and Conference Management. Again, the draft resolution proposed appropriate action by the Chairman of the Committee on Conferences.

42. Her delegation was strongly in favour of maintaining the existing policy of providing conference services to regional and other major groupings on an ad hoc basis that had proven successful in the past and could continue to be successful if the groups concerned communicated their needs to the Department early and clearly. The Department accounted for 16 per cent of the Organization's budget and had made serious and successful efforts to avoid repeating the overruns which had occurred between 1999 and 2001. Providing regular budget funding for regional and other groups which met erratically and as necessary would weaken the Department's strong budgetary position. Perhaps more importantly, only the expenses of the Organization should be borne by its Member States.

43. Her delegation dissociated itself from the consensus regarding the calendar of conferences for 2004-2005. Since it did not support providing conference services for the Committee on the Inalienable Rights of the Palestinian People, by extension it could not agree to allow that Committee an exception to section I, paragraph 7, of General Assembly resolution 40/243 to enable it to meet during the main part of the fifty-eighth session.

44. **Ms. Taylor Roberts** (Jamaica) said that her delegation was pleased with the efforts of the Department for General Assembly and Conference Management to carry out the reforms outlined by the Secretary-General in his report (A/57/289), particularly

in the area of the production and distribution of documentation, and agreed with the time limits set for further reform.

45. It appreciated the conference services which the Department provided for regional groups and had noted improvements in those services. It hoped that earlier notification of needs would result in continued improvements. One of the elements of the reform process was the supply of documents using a printing-on-demand approach. Her delegation hoped that that policy would be applied carefully so that it did not affect the right of Member States to receive the parliamentary documentation required for their work at the United Nations.

46. While it strongly supported the principles of multilingualism and adherence to the resolutions and instructions regarding the posting of documents on the Official Document System (ODS) in all the official languages, her delegation hoped that there would not be complete inflexibility in interpreting them, since that could be counterproductive and harm the work of smaller working groups and committees whose members had agreed on other linguistic arrangements.

The meeting rose at 11.05 a.m.

United Nations A/C.5/58/SR.5

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Summary record of the 5th meeting
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Chairman: Mr. Kmoníček (Czech Republic)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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03-55627 (E)

The meeting was called to order at 10.05 a.m.

Agenda item 124: Scale of assessments for the apportionment of the expenses of the United Nations *(continued)* (A/56/767; A/58/11, A/58/63 and A/58/189)

1. **Mr. Sessi** (Chairman of the Committee on Contributions), introducing the report of the Committee on Contributions (A/58/11), said that at its sixty-third session the Committee on Contributions had focused on the scale of assessments for the apportionment of the expenses of the United Nations for the period 2004-2006.

2. Based on the decision of the General Assembly contained in resolution 55/5 B, the Committee on Contributions had decided to review the scale of assessments for the period 2004-2006 on the basis of the elements of the methodology for the scale of assessments for the period 2001-2003. That methodology, together with information on its evolution, was contained in annexes I and II to the report. In considering the scale of assessments for 2004-2006, the Committee had made use of statistical information for the period 1996-2001 provided by the Secretariat and a number of Member States. Further details were to be found in chapter II, sections B and C of the report.

3. With regard to gross national income, he drew attention to paragraph 20 of the report. Member States were in the process of moving from the System of National Accounts, 1968 (1968 SNA) to the System of National Accounts, 1993 (1993 SNA). The renaming of the concept of gross national product (GNP) as gross national income (GNI) merely represented a refinement of product and income concepts and did not entail any change in the actual coverage of the concept. Given that Member States with 92 per cent of world GDP had implemented the 1993 SNA by May 2003, the Committee had used GNI as the income measure for the 2004-2006 scale.

4. With regard to conversion rates, he said that the Committee had had to determine whether any of the market exchange rates (MERs) used to convert GNI data into United States dollars had caused excessive fluctuations and distortions in the income of some Member States and, if so, which alternative rates should be used. Following a comprehensive review of information provided by a number of Member States and of the situation of countries whose rates had been adjusted for the purposes of the 2001-2003 scale, countries for which there appeared to be a serious disparity between real growth of GNI and growth of GNI in United States dollar terms, and countries for which the revised methodology for price-adjusted rates of exchange (PAREs) had shown distortions during the base period for the scale, the Committee had decided to replace some or all MERs for Argentina, the Democratic Republic of the Congo, the Islamic Republic of Iran, Iraq, Lebanon, Myanmar, Nigeria, the Syrian Arab Republic, Uruguay and Venezuela. However, he noted that some members of the Committee had expressed strong reservations regarding the decision to apply PAREs to some of the data for Argentina.

5. Once the Committee had decided on the data to be used in calculating the scale of assessments for 2004-2006, it had applied the elements of the methodology outlined in paragraph I of resolution 55/5 B. However, the scale of assessments for 2001-2003 had reflected a number of additional adjustments, including transitional measures for Member States experiencing sharp increases in their rates of assessment and the distribution of an additional payment by the United States of America for 2001, which had not been included in paragraph 1 of resolution 55/5 B and had not therefore been reflected in the methodology applied by the Committee on Contributions for the scale of assessments for 2004-2006. The Committee had agreed to recommend to the General Assembly the scale of assessments for 2004-2006 set out in paragraph 42 of its report.

6. Turning to the issue of multi-year payment plans, he recalled that, in its resolution 57/4 B, the General Assembly had endorsed the conclusions of the Committee on Contributions concerning multi-year payment plans. Chapter IV of the Committee's current report contained the results of its review of the Secretary-General's most recent report on multi-year payment plans (A/58/63) and updated information on the plans submitted as at 27 June 2003. All plans submitted had also been considered in the context of requests for exemption under Article 19 of the Charter; further information on that issue was contained in chapter V of the report. The Committee had recommended that the General Assembly should encourage Member States in arrears to consider submitting payment plans. It had noted with appreciation the substantial effort made by some of the

Member States concerned to reduce their arrears and urged them to make every effort to meet the commitments set out in their payment plans.

7. Pursuant to its mandate under rule 160 of the rules of procedure of the General Assembly, the Committee on Contributions had considered a number of requests for exemption under Article 19 of the Charter. Four of the Member States requesting exemption had also presented multi-year payment plans, and the Committee had encouraged all Member States requesting an exemption under Article 19 to consider presenting such a plan if they were in a position to do so and to provide as much information as possible in support of their requests.

8. At the conclusion of the sixty-third session of the Committee on Contributions, 16 Member States were affected by the provisions of Article 19. Four Member States had subsequently paid the amount necessary to restore their vote in the General Assembly, and there were now 12 Member States, namely, Burundi, the Central African Republic, Comoros, Georgia, Guinea-Bissau, Iraq, Liberia, Niger, the Republic of Moldova, Sao Tome and Principe, Somalia and Tajikistan which were currently subject to the provisions of Article 19 and, in the absence of any further decisions on that issue by the General Assembly, would have no vote in the General Assembly.

9. In its resolution 57/4 C, the General Assembly had also requested the Committee on Contributions to make recommendations on measures with a positive impact to encourage Member States to pay their arrears, and to report thereon to the General Assembly at its fifty-eighth session. In that connection, the Committee had recalled its extensive consideration of such measures at recent sessions and decided to consider the matter further at its next session, in the light of any guidance from the General Assembly and updated information on the experience of other organizations of the United Nations system, and to report further to the Assembly before the end of the current session.

10. With regard to the criteria for the ad hoc adjustment of the rates of assessment, the Committee had reviewed information concerning earlier appeals for adjustments by Member States and agreed that it should consider the matter further at its next session. Following its initial review, however, the Committee had agreed that the circumstances surrounding such requests should be truly exceptional and extraordinary and that such requests should be based on the fullest possible information on the exceptional and extraordinary nature of the action being requested.

11. At its sixty-first session, the Committee on Contributions had decided to consider the question of the assessment of non-member States. The current methodology involved the calculation of a flat annual fee for non-member States that participated fully in some activities financed by the regular budget of the United Nations. That fee was based on the total net assessment for the regular budget, a notional rate of assessment, fixed by the General Assembly, and a flat annual fee percentage, reviewed every five years, based on the non-member State's level of participation in activities financed by the regular budget.

12. The only non-member State which was still assessed under those arrangements was the Holy See and, given that its notional rate of assessment had been fixed at 0.001 per cent, the current system seemed unnecessarily cumbersome and costly. The Secretariat had therefore proposed, and the Holy See had agreed, that the flat annual fee percentage should be fixed at 50 per cent of the notional rate of assessment without further periodic review. The Committee had agreed to that arrangement and had recommended that the General Assembly should fix the flat annual fee percentage of the Holy See at 50 per cent of the notional rate of assessment and suspend further periodic review. It had also recommended that the notional rate of assessment for the Holy See for 2004-2006 should be fixed at 0.001 per cent.

13. Lastly, the Committee had noted that, pursuant to the provisions of paragraph 8 (a) of General Assembly resolution 55/5 B, in 2002 the Secretary-General had accepted the equivalent of over US $1.7 million in four non-United States dollar currencies acceptable to the Organization.

14. **Mr. Halbwachs** (Controller), introducing the report of the Secretary-General on multi-year payment plans (A/58/63), said that, in its resolution 56/243 A, the General Assembly had recognized that multi-year payment plans could be helpful in allowing Member States to demonstrate their commitment under Article 19 of the Charter to paying their arrears, thereby facilitating consideration of applications for exemption by the Committee on Contributions. The Assembly had also requested the Secretary-General to propose

guidelines for such payment plans through the Committee on Contributions. Having reviewed the relevant report of the Secretary-General (A/57/65), the Committee on Contributions had agreed on a number of conclusions and recommendations, which were contained in paragraphs 17 to 23 of its report on its sixty-second session (A/57/11). In its resolution 57/4 B, the General Assembly had endorsed those conclusions and recommendations.

15. Four payment plans had been submitted prior to the adoption of resolution 57/4 B. No additional plans had been submitted at the time the report had been prepared, although Georgia had subsequently submitted a further revision of its plan and the Central African Republic and Niger had indicated their intention to submit payment plans at a later date. With regard to the four existing payment plans, one Member State had significantly exceeded its planned payment, two had more or less met their commitments and one had paid significantly less than the amount foreseen.

16. Turning to the note by the Secretary-General concerning the outstanding assessed contributions of the former Yugoslavia (A/58/189), he said that, in a letter dated 27 December 2001 addressed to the President of the General Assembly (A/56/767), the Secretary-General had drawn the Assembly's attention to the question of the arrears of the former Yugoslavia, following its dissolution and the termination of its membership in the United Nations. In that letter, he had indicated that it would be necessary for the Assembly to take a decision with regard to the treatment of those arrears. Relevant information had been provided in an annex to the letter.

17. Since the date of that letter, the General Assembly had decided to return to Member States credits in respect of the unencumbered balances of a number of peacekeeping operations for which the former Yugoslavia had been assessed. Following the application of its share of those credits, the amount of the outstanding assessed contributions of the former Yugoslavia had been somewhat reduced. In that connection, the Secretary-General's note provided updated information on the unpaid assessed contributions of the former Yugoslavia with a view to assisting the Assembly in its further consideration of the question.

18. **Mr. Haraguchi** (Japan) said that, in order to play its role of promoting peace and stability in the world, the United Nations must be in a position to carry out activities worthy of the trust and support of Member States and their peoples. In Japan, however, an increasing number of taxpayers believed that their country was being unfairly treated in the United Nations. It was not clear to them why Japan should bear nearly 20 per cent of the Organization's expenses, and there were doubts concerning the current scale methodology, including the various reductions and the ceiling. That sense of unfairness had been aggravated by the stagnation of the Security Council reform process and the retention in the Charter of the so-called "enemy States" clause.

19. True United Nations reform must lead to a system of world governance that was both legitimate and fair. Equitable burden sharing among Member States was a prerequisite for achieving that objective. There was a need for a more balanced scale of assessments, which would reflect each Member State's actual economic performance, as well as its status and responsibilities in the United Nations.

20. With regard to the scale of assessments for the period 2004-2006, his delegation was not convinced that the recommendations of the Committee on Contributions concerning exchange rates were entirely consistent with the current scale methodology, as set out in General Assembly resolution 55/5 B, and it regretted that some decisions of the Committee on Contributions had been influenced by political factors.

21. **Mr. Martini** (Italy) speaking on behalf of the European Union, the acceding countries Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia, the associated countries Bulgaria, Romania and Turkey, and, in addition, Iceland, Liechtenstein and Norway, regretted that the Committee had not found it possible to take up the scales of assessment for both the regular and peacekeeping budgets simultaneously so that it could then move on to other issues. The reports on the scales of assessment for the regular and peacekeeping budgets provided a clear picture of the overall capacity of Member States to pay, which was the fundamental criterion for the apportionment of the expenses of the Organization. That criterion should not be subject to requests for modification, and the European Union would insist on the full application of all paragraphs of General Assembly resolution 55/235, without exception.

22. The payment of assessed contributions in full, on time and without conditions and the reimbursement of arrears were essential to putting the Organization on a sound footing. In that connection, the European Union reiterated the importance of ensuring that the procedure for granting requests for exemption under Article 19 of the Charter operated fairly and effectively. Member States intending to request exemption under Article 19 should also comply with the time limits set by the General Assembly.

23. He recalled the General Assembly's request in resolution 57/4 C that the Committee on Contributions should make recommendations on measures to encourage Member States to pay their arrears and wondered whether it might be advisable for the Assembly to give that Committee more focused instructions on specific measures, such as the charging of interest on arrears. A practice should be established that would do justice to Member States which paid their contributions in full and on time, without imposing burdensome provisions on those Member States which had genuine difficulty in meeting their financial obligations.

24. Multi-year payment plans were very relevant in that context and the European Union noted with appreciation the substantial efforts of those Member States which had submitted payment plans to reduce their arrears. It shared the view that the Committee on Contributions or the Fifth Committee should take into account the submission of a payment plan and its status of implementation when considering requests for exemption under Article 19 of the Charter.

25. **Ms. Afifi** (Morocco), speaking on behalf of the Group of 77 and China, said that she wished to reaffirm the legal obligation of all Member States to bear the financial expenses of the United Nations, in accordance with the Charter. She urged all Member States to pay their assessed contributions on time, in full and without conditions, but recognized the need to extend sympathetic understanding to those Member States that might be temporarily unable to meet their financial obligations as a result of genuine economic difficulties. She reiterated the importance of the forthcoming negotiations on the scale of assessments for the period 2004-2006 and stressed once again that the principle of capacity to pay should be the fundamental criterion governing the apportionment of the expenses of the United Nations.

26. She agreed with the conclusions and recommendations of the Committee on Contributions and reaffirmed its role as the sole expert body mandated to advise the General Assembly on the question of the apportionment of the expenses of the United Nations. However, she expressed concern that many developing countries had seen huge increases in their assessments for the forthcoming period, in spite of the fact that their capacity to pay was being undermined by various economic difficulties. In addition, she reiterated that multi-year payment plans should remain voluntary and should not be linked to other measures.

27. Discussions on the item in question should be conducted in a comprehensive and transparent manner in order to bring negotiations to a swift conclusion so that all efforts could be concentrated on the consideration of the proposed programme budget for the biennium 2004-2005.

28. **Ms. Buchanan** (New Zealand), speaking also on behalf of Canada and Australia, said that the work on the scale of assessments had been greatly simplified by the General Assembly's decision to retain the methodology adopted in 2000 and apply it to the calculation of the scale of assessments for 2004-2006. She appreciated the report of the Committee on Contributions and acknowledged the thoughtful way in which the Committee had addressed Member States' requests for recognition of their specific circumstances. She also recognized the importance of the efforts it had made to base recommendations on technical analysis.

29. The Committee on Contributions had done Member States a great service by adopting unified recommendations on the scale of assessments for 2004-2006. The report made it clear that certain issues had been hotly debated, in particular the question of the application of PAREs to Argentina, but it was precisely because the objective facts could support more than one interpretation regarding the use of PAREs that the advisory role of the Committee on Contributions was so important. In future, it might be beneficial for that Committee to develop more specific criteria for the use of PAREs and to ensure that recommendations were made on the basis of the technical data.

30. The delegations for which she spoke were able to accept the proposed scale of assessments in its entirety and took the view that the Fifth Committee should be in a position to conclude its negotiations without undue

delay. That would not, however, preclude the possibility of a Member State voluntarily assuming a larger share of assessed contributions with the consequent practical adjustment for others.

31. Turning to the criteria for ad hoc adjustments of the rates of assessment, she urged the Committee on Contributions to return to the issue, since such criteria were needed to enable the Assembly to address future requests for adjustments.

32. Lastly, it had come as no surprise that the Committee on Contributions had been unable to identify new measures with a positive impact to encourage Member States to pay their arrears; the term "positive" was highly subjective. The General Assembly already had many ideas to work with in that area and should continue to seek new approaches to ensure the full and timely payment of contributions.

33. **Mr. de Rivero** (Peru), speaking on behalf of the Rio Group, said that, while the methodology for the preparation of the scale of assessments adopted by the General Assembly in paragraph 1 of resolution 55/5 B could be further refined, it was not the appropriate time to undertake such an exercise. The Rio Group supported the conclusions and recommendations contained in the report of the Committee on Contributions (A/58/11), which should be approved at an early stage so that the Committee could devote its full attention to the negotiations on the proposed programme budget.

34. **Mr. Eljy** (Syrian Arab Republic), speaking on behalf of the Group of Arab States, said that the Group wished to associate itself with the statement made by the representative of Morocco on behalf of the Group of 77 and China. While the Group of Arab States welcomed the report of the Committee on Contributions (A/58/11), it noted with concern that the assessments of some Arab countries had increased by up to 250 per cent. The reliance of many of those countries on a single non-renewable resource led to major fluctuations in their economies that could adversely affect their capacity to pay. In addition, the market exchange rates of the Arab countries' currencies had declined considerably in recent years, and most were facing economic difficulties owing to the slowdown of the global economy, the political tensions in the region and the imposition on some Arab States of international and unilateral economic sanctions. There was thus a need to identify the factors that had led to the increase in the Arab countries' assessments and to consider how to rectify the situation.

35. It was vital for all Member States, especially the major contributors, to pay their assessed contributions in full, on time and without conditions. Countries with unpaid assessments must demonstrate their commitment to eliminating their arrears. However, multi-year payment plans must be voluntary and must not be linked to other measures. Moreover, the recommendations of the Committee on Contributions concerning requests from States for exemptions under Article 19 of the Charter must not contain preconditions and must be made on the basis of the available data and the economic circumstances of each State.

36. **Mr. Chaimongkol** (Thailand) said that his delegation wished to associate itself with the statement made by the representative of Morocco on behalf of the Group of 77 and China. The review of the scale of assessments for the period 2004-2006 had been conducted in a reasonably thorough and transparent manner, and his delegation supported the relevant recommendations of the Committee on Contributions. It wished, however, to emphasize the importance of the principle of capacity to pay, which should be a fundamental criterion in apportioning the expenses of the United Nations and the need to consider representations by Member States facing economic crises or extreme hardship objectively, based on the merits of the available information.

37. In order for the United Nations to fulfil its mandates and the expectations placed on it, all Member States must pay their assessed contributions in full, on time and without conditions. His delegation therefore noted with concern that, in 2002, unpaid assessments had amounted to almost $1.7 billion. It wished to encourage Member States with unpaid assessments to submit multi-year payment plans with a view to eliminating their arrears at the earliest opportunity. Thailand, for its part, had always paid its assessed contributions in full and on time, despite its recent economic difficulties.

38. **Mr. de Alba** (Mexico) recalled that, during its fifty-fifth session, the General Assembly had carried out a comprehensive assessment of the system for the apportionment of the expenses of the United Nations, which had resulted in the adoption of resolutions 55/5,

55/235 and 55/236. The consultations that had given rise to those resolutions had been complex and the resolutions reflected a delicate political balance.

39. Pursuant to those resolutions, the General Assembly had decided to suspend the revision of the methodology underlying the calculation of the scale of assessments for six years, and the Committee on Contributions had therefore drawn up a proposed scale of assessments for the period 2004-2006 on the basis of the methodology approved in 2000 and updated economic information provided by Member States.

40. In accordance with that scale, and as a reflection of the upswing in the Mexican economy, Mexico's contributions would increase by more than 75 per cent, from 1.086 to 1.899 per cent; that would make it the tenth largest contributor to the regular budget. He pointed out that, since the foundation of the United Nations, Mexico had paid its contributions in full, on time and without conditions, even when economic conditions were at their worst, and he expected the same level of commitment to the Organization from all its Member States.

41. Mexico would not necessarily be averse to future revisions of the methodology, providing that the objective of such revisions was the equitable distribution of the financial burden in accordance with Member States' capacity to pay.

42. **Ms. Yoon** Seong-mee (Republic of Korea) said that her delegation endorsed many of the recommendations of the Committee on Contributions, including those concerning the scale of assessments for the period 2004-2006. It wished to stress the importance of capacity to pay as the fundamental principle for determining Member States' assessments. While it maintained that price-adjusted rates of exchange (PAREs) should be used only in exceptional cases, it recognized that in Argentina, even before 2001, the fixed rate of exchange had led to severe distortions in the value of the peso. Under those circumstances, it could agree to the application of PAREs for two years out of the six-year base period.

43. Multi-year payment plans were a useful way for Member States to demonstrate their commitment to meeting their financial obligations to the United Nations. Her delegation wished to express appreciation to those countries that had made substantial efforts to implement their payment plans. As to the criteria for ad hoc adjustment of the rates of assessment, it looked forward to hearing the views of the Committee on Contributions at the fifty-ninth session of the General Assembly.

44. **Mr. Zhang** Yishan (China) said that his delegation wished to associate itself with the statement made by the representative of Morocco on behalf of the Group of 77 and China. He expressed appreciation for the business-like manner in which the Committee on Contributions had conducted its work at its sixty-third session. The principle of capacity to pay had been the foundation for determining the scale of assessments since the Organization had been established. It had stood the test of time and should be maintained, since only adherence to that principle could lead to logical and equitable adjustments to the scale.

45. China's assessment for 2004-2006 would increase by 35.2 per cent compared with the previous scale period. His delegation did not object to reasonable adjustments to the scale. China was fully aware of its responsibilities to the United Nations and fulfilled its financial obligations to the Organization in line with its capacity to pay. As a permanent member of the Security Council, it had also assumed additional obligations in connection with peacekeeping. China had made great strides in its economic development, maintained a high rate of growth and improved the living standards of its people. However, it was still a developing country with a rather weak economic base, a large population and a per capita gross domestic product only one fifth of the world average in 2001.

46. Lastly, since all Member States had a stake in the determination of the new three-year scale, the matter must be resolved through democratic consultations involving all Members on an equal footing.

47. **Mr. Terzi** (Turkey) said that his delegation wished to associate itself with the statement made by the representative of Italy on behalf of the European Union. The methodology for the preparation of the scale of assessments had been fixed until 2006. His delegation believed in the merit of retaining the current methodology and applying it in determining the new scale for 2004-2006. The full and timely payment of assessed contributions was essential for the vitality of the United Nations. As the General Assembly had recognized, multi-year payment plans were a useful way for Member States to demonstrate their commitment to meeting their financial obligations to the Organization. His delegation therefore agreed that

such payment plans should be encouraged and used as a tool for reducing States' arrears. Fairness and objectivity were crucial, both in applying Article 19 of the Charter and in determining the scale of assessments.

48. **Mr. Prica** (Bosnia and Hergezovina), speaking also on behalf of Croatia, Slovenia, Serbia and Montenegro and The former Yugoslav Republic of Macedonia, recalled that the Socialist Federal Republic of Yugoslavia had ceased to exist and had been succeeded by five equal successor States. While the successor States had all been admitted to membership in the Organization, none of them had succeeded to the legal personality of the former Socialist Federal Republic of Yugoslavia, which had continued to be assessed contributions, even though all five successor States had been paying their own assessed contributions.

49. The issue was one that must be handled with great sensitivity, more because of its legal and political implications and less because of its financial ones. No precise date could be determined for the dissolution of the former Socialist Federal Republic of Yugoslavia, which was an ongoing process. The successor States, moreover, had become independent on different dates. The process was a unique one and, given the complexity of the problem and the fact that consultations were taking place between the competent ministries of the five successor States, he wished to request the General Assembly to defer consideration of the issue to its fifty-ninth session.

Agenda item 125: Pattern of conferences (*continued*) (A/57/783 and A/57/809; A/58/7 and Corr.1 and Add.1, A/58/32, A/58/194 and Corr.1 and Corr.2 and A/58/213)

50. **Ms. Afifi** (Morocco), speaking on behalf of the Group of 77 and China, noted that the utilization of conference-servicing resources and facilities had not yet reached the optimum level. In that connection, the Group looked forward to the forthcoming oral presentation by the Chairman of the Committee on Conferences on compliance with the request made by the General Assembly in section II.A, paragraph 2, of its resolution 57/283 B. It wished to emphasize the need to improve the current methodology for calculating the utilization factor so that it reflected the time used for informal meetings and consultations and other relevant elements. It noted with concern the proposal in paragraph 16 of the report of the Secretary-General on the pattern of conferences (A/58/194) that the duration or the number of fully serviced meetings should be reduced. Such decisions were the responsibility of the intergovernmental bodies.

51. The Group welcomed the reaffirmation by the Committee on Conferences that the provision of conference services for meetings and consultations of regional and other major groupings of Member States, to the maximum extent possible, facilitated the work of the Main Committees of the General Assembly and other United Nations bodies and called on the Secretary-General to continue providing those services. It regretted that the percentage of meetings held by regional and other major groupings provided with interpretation in the reporting period had decreased from 98 to 92 per cent. In section II.A, paragraph 16, of its resolution 57/283 B, the General Assembly had requested the Secretary-General to submit a report on the cost implications of providing more predictable and adequate conference services to the meetings of regional and other major groupings of Member States. The proposals made in paragraph 36 of document A/58/194 did not fulfil that request. The Group wished to underscore the importance of the aforementioned report, which must be issued promptly.

52. She noted with satisfaction the increased utilization of the conference centre at the Economic Commission for Africa (ECA) and expressed support for the request by ECA for substantial procurement of equipment to enable it to attract large-scale conventions with exhibits. The apparent inadequacy of resources for conference services at the United Nations Offices at Nairobi and Vienna was a cause for concern, however, as was the delay in filling the remaining vacancies in the Interpretation Section at the United Nations Office at Nairobi, particularly those posts that had been vacant for more than three years. All duty stations must be afforded equal treatment, and the Secretary-General must take the necessary steps to bring conference services at Nairobi up to the same level as those at other duty stations.

53. Notwithstanding the recent improvements, the Group remained concerned about the late issuance of some documents. It wished to reiterate the need for compliance with the six-week rule for distribution of documentation and the 10-week rule for the submission of documents by author departments for processing. Decisions on consolidating reports should be taken by the Main Committees of the General Assembly, and

any reduction in the length of reports must not affect either the quality of their presentation or their content. Given the importance of preserving the institutional memory of the United Nations, summary and verbatim records should be issued expeditiously in the six official languages. Lastly, she emphasized the need to strengthen the capacity of the Department for General Assembly and Conference Management to enable it to fulfil its mandates in an efficient and effective manner.

54. **Mr. Kramer** (Canada), speaking also on behalf of Australia and New Zealand, expressed strong support for the continuation of the reform of the Department for General Assembly and Conference Management which the Secretary-General had set out in his report the previous year (A/57/289) and which the General Assembly had addressed in resolution 57/283 B. While the progress report presented to the Committee (A/58/213) gave a sense of the efforts being made on many fronts, it also indicated that actual progress had been variable. The range and complexity of the issues involved meant that slow progress was not necessarily a cause for alarm, but commitment to the process must be maintained. He wished to raise four issues in that connection.

55. Firstly, the aim of the reform strategy had been to improve services to the Member States and to increase efficiency, cost-effectiveness and productivity. It was therefore surprising that the progress report said nothing about productivity, either in terms of gains pursued or in terms of gains achieved. The sections of the report dealing with the use of technology, workload standards and performance measurement had not used the words "efficiency", "cost effectiveness" or "productivity" at all. The Member States and the Secretariat should affirm that productivity gains were an explicit aim of reform; otherwise considerable investment in technology could not be justified. With careful planning, nobody's employment should be jeopardized.

56. Secondly, efficiency and productivity must be measured in quantitative terms. The progress report failed to mention the request made by the General Assembly the previous year for the development of methods and indicators to assess the performance of conference services, particularly from the standpoint of cost-effectiveness, efficiency and productivity. Assessments had been requested for the current session. While client surveys were useful, they were not a substitute for quantity analysis and the measurement of efficiency and productivity over time.

57. Thirdly, the Member States had agreed with the Secretariat in 2002 that current workload standards did not accurately measure productivity, and the General Assembly had remained open to more modern methods, such as unit costs of work processes. Two years had passed since the General Assembly, in resolution 56/253, had requested a review of workload standards, but, in the absence of new techniques, the existing techniques were the only ones available. The General Assembly should therefore be given performance information based on the existing standards for all duty stations.

58. Fourthly, the delegations for which he spoke looked forward to progress in the global management of conference services. The specific circumstances of each duty station must be considered, but the head of the Department must fulfil a leadership and accountability role.

59. **Ms. Udo** (Nigeria), speaking on behalf of the African Group, said that her group associated itself with the statement made by Morocco on behalf of the Group of 77 and China.

60. The proposals of the Secretary-General provided a useful basis for improving the delivery of services in fields such as meeting support, technical secretariats, interpretation and document processing, and the African Group was ready to consider the implementation of measures to make intergovernmental activity more effective. It felt, however, that the Member States must be consulted fully before changes were made, and any action which might have adverse effects on the intergovernmental process must be avoided.

61. The African Group welcomed the efforts being made to improve the utilization of conference facilities as described in the report of the Secretary-General on the utilization of conference facilities and services at the United Nations Office at Nairobi (A/57/809). It noted that the United Nations Human Settlements Programme (UN-Habitat) planned to hold the World Urban Forum every two years and that it might become a Governing Council event as from 2006. That would result in an increase in calendar meetings with interpretation services. Non-calendar meetings were also expected to increase.

62. The Secretary-General should maintain efforts to strengthen the role of the United Nations Office at Nairobi through greater use of its conference facilities and give it the same status as other duty stations. The African Group hoped that the comprehensive review of that Office's Division of Conference Services that was expected to be carried out during the biennium 2004-2005 would address the issue of resources, which had a direct impact on the United Nations Environment Programme (UNEP) and the United Nations Human Settlements Programme (UN-Habitat).

63. The report of the Committee on Conferences for 2003 (A/58/32) indicated that the Governing Council of the United Nations Environment Programme (UNEP), in keeping with its decision 20/17, planned to hold special sessions in alternate years in different regions on a rotating basis. However, the General Assembly had stressed in several resolutions that United Nations bodies and agencies should adhere to the headquarters rule. That was particularly important at a time of reform. The African Group wished to know whether a decision of a Governing Council superseded decisions of the General Assembly.

64. The African Group took the view that the move towards global management of conference services should result in equal treatment in the allocation of resources and the upgrading of equipment. It shared the concern of the Committee on Conferences regarding the uneven introduction of new technology across duty stations and urged that steps should be taken to integrate modern technology at the United Nations Office at Nairobi.

65. The African Group noted that the report of the Secretary-General on the pattern of conferences (A/58/194) indicated (para. 37) that the report on the utilization of conference facilities and services at the United Nations Office at Nairobi (A/57/809) had yet to be considered by the Advisory Committee on Administrative and Budgetary Questions (ACABQ). It urged that the Advisory Committee should examine it as soon as possible, in accordance with the procedures outlined in its report on the report of the Joint Inspection Unit on building construction procedures of the United Nations organizations (A/36/643).

66. Also in connection with the United Nations Office at Nairobi, the African Group asked what steps would be taken before the end of 2003 to fill the long-standing vacancies for interpreters. The explanation often given for that situation had become repetitive and unsatisfactory.

67. With regard to the use of the conference centre of the Economic Commission for Africa (ECA), the African Group welcomed the 80-per-cent increase in occupancy achieved through reorganization and better facilities but felt that there should be more operational integration to enable ECA to fulfil additional duties and mandates, such as regional coordination of activities under the New Partnership for Africa's Development (NEPAD).

68. **Mr. Iosifov** (Russian Federation) said that his delegation was prepared to approve the draft biennial calendar of conferences and meetings of the United Nations for 2004-2005 and was pleased that, in preparing it, the Secretariat had taken into account the measures contained in General Assembly resolutions 53/208 A and 56/244 regarding Orthodox Good Friday.

69. The conference-servicing resources of the United Nations must be used in the best and most effective way possible. His delegation valued the efforts of the Committee on Conferences and the Department for General Assembly and Conference Management in that regard, and would continue to pay close attention to translation and interpretation issues. The established rules on the use of the Organization's official and working languages must be strictly adhered to, and Member States must be given equal treatment in terms of the quality and quantity of translation and interpretation.

70. Late issuance of documents was still a widespread concern; his delegation therefore favoured the establishment of an effective system of accountability in that regard within the Organization. Timely issuance also depended on productive discussion and on the workload of individual departments, and he welcomed the steps taken by the Department for General Assembly and Conference Management to develop a system of deadlines.

71. His delegation appreciated the active efforts made by the Department for General Assembly and Conference Management to improve conference services and increase accountability and cost-effectiveness, which would help to ensure that those services met the requirements of Member States and the modern age.

72. The aim of achieving integrated global management of conference services would demand close coordination and dialogue between the Secretariat and the United Nations Offices at Geneva, Nairobi and Vienna on issues relating to accountability, budgets and staffing.

73. He welcomed the practice of holding meetings on terminology and translation issues between delegations and the language services. Such exchanges of views were useful and should be developed further.

74. Lastly, his delegation believed that the draft resolution on the pattern of conferences which the Committee on Conferences recommended in its report (A/58/32) could be adopted as it stood in order to speed up the work of the Fifth Committee.

75. **Mr. Eljy** (Syrian Arab Republic) said that his delegation associated itself with the statement made by Morocco on behalf of the Group of 77 and China.

76. Conference services gave the best level of satisfaction when those responsible for delivering those services adhered to the mandates they had been given. One hallmark of the United Nations was its multilingual nature. Successful negotiation depended on the provision of documentation and interpretation in all official languages. All delegations must be treated equally in that regard. In the case of documentation, a balance must be struck between timely issuance and the maintenance of quality.

77. His delegation welcomed the reform being undertaken to improve the performance of the Department for General Assembly and Conference Management. It must follow the principles laid down and should itself be evaluated as it proceeded, reform did not mean restructuring for the sake of cost savings alone, but should be aimed at reorganizing the Department so that it could fulfil its mandate more effectively and provide a better level of service for Member States. All aspects of that mandate were equal, so resources must be allocated in a way that enabled all aspects to be addressed.

78. The Department for General Assembly and Conference Management was encouraged to make use of new technology, but that was not an end in itself. The United Nations should not be treated as a testing ground. Technology should be used wherever it could improve the quality of conference services and help the Department to fulfil its mission. The use of voice recognition, computer-aided translation, digital dictation and other applications was welcome, but the output must be monitored to ensure that quality was maintained.

79. The practice of printing on demand was a qualitative improvement aimed at reducing waste. However, it must not affect the quantity or quality of documentation and the Secretariat must continue to distribute hard-copy documents to the Member States in all languages. In considering the electronic availability of documents, the report of the Secretary-General on reform of the Department for General Assembly and Conference Management had concluded (A/58/213, para. 34) that technological advances such as the use of new technology in conference rooms would ultimately reduce the requirement for hard-copy documents. However, that seemed to neglect the fact that such documents were the best tool for reporting and negotiation.

80. The same report offered a reason for the persistent late availability of summary records of meetings: lack of resources to translate the records from their original language. That was not a logically acceptable explanation. The budget was based on the needs which the Department communicated to the General Assembly. If those needs were communicated accurately, there should be no problem with resources. The Department had referred to possible technological solutions to the problem of summary records. His delegation would prefer it to put forward concrete proposals rather than to continue to describe the situation as bleak. Still on the subject of technology, the administrative instruction on United Nations Internet publishing (ST/AI/2001/5), which covered the use of the official languages of the Organization, should be re-examined.

81. His delegation continued to be concerned that, despite repeated requests, the Secretariat was only slowly filling the vacancies for Arabic-language interpreters at the United Nations Office at Nairobi. It was also concerned that the proportion of Arabic-language documents at the Economic and Social Commission for Western Asia (ESCWA) was decreasing, even though General Assembly resolution 57/283 B on the pattern of conferences had called for all documents to be made available in Arabic.

82. His delegation appealed for logic and dialogue to prevail in the discussions on conference services.

Delegations should take part in such discussions, understand each other's needs and be aware that some delegations were hampered by their limited technological and physical resources.

83. **Mr. Yamamoto** (Japan) welcomed the draft resolution on the pattern of conferences which the Committee on Conferences recommended in its report (A/58/32) and hoped that it would make the work of the Fifth Committee easier. On the question of the biennialization of the item entitled "Pattern of conferences", his delegation thought that, since the Department for General Assembly and Conference Management was being restructured, it might be useful to establish guidelines to move in the direction described.

84. His delegation noted the improvement in the timely issuance of documents as a result of the introduction of the slotting system, as described in the report of the Secretary-General on reform of the Department for General Assembly and Conference Management (A/58/213), but hoped to see further improvement. Rather than keeping summary records, it would prefer to pursue the alternatives referred to in paragraph 42 of that report.

85. Having carefully considered paragraphs 58 to 62 of the report of the Secretary-General on the pattern of conferences (A/58/194), his delegation believed that the current practice of providing advance copies of draft reports and other documents was consistent with administrative instruction ST/AI/2001/5 on United Nations Internet publishing and made the work of those bodies easier and more efficient. It should be maintained.

86. His delegation welcomed the reduction in vacancies in the Spanish and Chinese Translation Services, although there was still room for improvement. The problem could best be tackled through competitive examinations and enhanced mobility for language staff.

87. **Mr. Zhang** Yishan (China) noted the 75-per-cent overall rate of utilization of conference services at the four United Nations Offices and the 92-per-cent coverage of interpretation requests for meetings of regional and other major groupings of Member States. Although the 92-per-cent rate was 6 per cent lower than the figure for the previous period, it was still a considerable achievement, since such services were provided through the reallocation of resources unused for other meetings.

88. The process of reform launched by the Secretary-General in 1997 had begun with measures focused on technical secretariat support and conference services and had moved on to focusing on full-system benefits by altering working methods, for example, the increased use of technology. The paramount concern should be to maintain a high quality of service for Member States. He hoped that the costs of ongoing reform would be fully reflected in the programme budget for the biennium 2004-2005.

89. The Department for General Assembly and Conference Management had explored many remedies to resolve the chronic problem of the late issuance of documents, particularly by testing a slotting system. His delegation hoped that that would lead to improvements. Another measure, the introduction of page limits, seemed to have succeeded. In the first five months of 2003, over 90 per cent of reports originating in the Secretariat had complied with those limits.

90. Current workload standards dated back to 1975 and must be reviewed. The introduction of new technology made a review of those standards necessary, and his delegation supported the proposal of the Department for General Assembly and Conference Management that a task force should be set up to perform a comprehensive study covering all major language-related functions. The client surveys conducted by the Department were a positive step, and should provide language staff with an incentive to maintain quality.

91. **Mr. Chen** Jian (Under-Secretary-General for General Assembly and Conference Management), responding to questions that had been raised, said that better planning on the part of intergovernmental bodies offered the best chance for increased efficiency in the utilization of conference resources. Early preparation of work programmes so that documents could be slotted accordingly and advance notification of the cancellation of meetings were two of the best ways to improve the overall rate of utilization.

92. In response to the request of the Committee on Conferences for proposals regarding the scheduling of sessions of those bodies that had consistently underutilized the conference resources allocated to them, the Secretariat had identified two ways of accomplishing that task. One would be to reduce the

number of days allocated to the body concerned. Alternatively, the body concerned could reduce the number of its fully serviced meetings. The next step in that process would be to hold discussions with those bodies that had utilized less than 80 per cent of their conference-servicing resources during the previous three years to see if any of the suggested approaches could work for them. It was for the intergovernmental body in question, however, to make the decision.

93. With regard to the timely issuance of documents, the reform being undertaken by the Department was geared precisely towards improving the timeliness, quality and cost-effectiveness of the overall service provided to Member States and intergovernmental bodies through better planning. While the initial results were already encouraging, the Department was not yet satisfied and hoped that, with the cooperation of all the parties concerned, it would be in full compliance with the General Assembly's mandates within a few years. Surveys were planned to gauge the level of user satisfaction with the quality of the services provided by the Department. The study of workload standards to be undertaken by the Department would also look at ways of further improving quality. With regard to cost-effectiveness, the reforms were aimed at maintaining the same overall level of service at lower cost or increasing output using the same level of resources. Investments in information technology were expected to bring about gains in overall productivity, though not necessarily in individual units.

94. Another area of reform was the introduction of printing on demand, which was intended not to eliminate hard-copy distribution but to match supply and demand in the most cost-effective manner. While permanent missions were encouraged to take advantage of available online resources and to review their needs for hard-copy documentation, the Secretariat would continue to make hard-copy versions available for as long as necessary. The role of technology was not to reduce service but to improve it and the Department was even exploring the possibility of setting up special rooms equipped with the Official Document System (ODS), where documents could be accessed online and printed by delegates.

95. With regard to the provision of conference-servicing resources to regional groups, the current mandate was for such resources to be provided on an ad hoc basis, subject to availability. While the Department had done its utmost to meet the demand, in particular by reallocating resources from cancelled meetings to service meetings of regional groups, approximately 10 per cent of meeting requests were still unmet. It was now for Member States to determine whether a separate entry should be included in the calendar of conferences to cater for the meetings of regional groups and to earmark resources for that purpose.

96. With regard to workload standards and productivity, enhancing productivity was an important component of the Department's reform. However, the traditional methods of measuring productivity, which had been formulated decades previously, without factoring in the use of information technology and without reflecting full-system benefits, could no longer accurately measure the performance of language staff. The study of workload standards would assist the Department in developing tools that were more meaningful for measuring performance.

97. With regard to the reduction in the length of reports, any such reduction should not affect the quality of the presentation or the content of the report and should be conducted in a non-selective manner. The aim was to produce more focused and action-oriented reports containing clear recommendations. The results achieved thus far with the consolidation of reports were very encouraging and the initiative would be continued.

98. On the subject of the filling of vacancies for interpreters at the United Nations Office at Nairobi, the Chinese, French and Russian booths were fully staffed, while an interpreter had already been recruited to fill the vacancy in the English booth and should be reporting for duty shortly. The two vacancies in the Spanish booth would also be filled in the near future. Problems were being encountered, however, in staffing the Arabic booth and, to that end, a training programme was being established with universities to prepare qualified interpreters. A related problem was how to ensure that conference services were fully utilized at Nairobi. To that end, the cooperation of all stakeholders was essential.

99. Lastly, with regard to the problem of summary records, the backlog could be measured either by the number of meetings for which summary records had not been issued or by the number of language versions that had not been completed. For some bodies, summary records were still pending for meetings that

had been held as far back as 1998. In every case, the original summary record had been completed, but, in compliance with the rule requiring simultaneous distribution of documents in all six official languages, issuance was being delayed because one or more language versions had not been completed. Summary records were assigned for translation as and when capacity was available. Since they constituted post-session documentation, however, summary records necessarily received less priority than pre-session and in-session parliamentary documents. The problem was therefore essentially one of inadequate translation capacity. To alleviate the situation, the Department had taken, or intended to take, such measures as the redeployment of resources, where possible, to the translation of summary records and the synchronization of the translation of summary records. A sustainable solution to the problem, however, would require the strengthening of the staff of the six Translation Services or the provision of additional funds to outsource the translation of summary records. Another option would be to replace summary records with digital sound recordings. It was for Member States, however, to decide on the course of action they deemed most appropriate. Without a decision on their part, the unsatisfactory situation with regard to summary records would continue.

100. **Ms. Udo** (Nigeria), speaking on behalf of the African Group, sought clarification of the relationship between the staffing of language posts at Nairobi and the upgrading of conference facilities at that duty station. She would also welcome information on the status of the report on the improvement and modernization of the conference facilities at Nairobi, the preparation of which should be expedited to enable the Advisory Committee on Administrative and Budgetary Questions to consider it.

The meeting rose at 12.40 p.m.

United Nations A/C.5/58/SR.6

General Assembly
Fifty-eighth session

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Fifth Committee

Summary record of the 6th meeting
Held at Headquarters, New York, on Wednesday, 15 October 2003, at 10 a.m.

Chairman: Mr. Kmoníček ..... (Czech Republic)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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Agenda item 124: Scale of assessments for the apportionment of the expenses of the United Nations (*continued*)

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03-55848 (E)

The meeting was called to order at 10.05 a.m.

Agenda item 124: Scale of assessments for the apportionment of the expenses of the United Nations (*continued*) (A/56/767, A/58/11, A/58/63 and A/58/189)

1. **Mr. Tal** (Jordan) said that his delegation endorsed the statement made by the representative of Morocco on behalf of the Group of 77 and China. The principle of capacity to pay must continue to be the basis for the apportionment of the expenses of the United Nations and all Member States should pay their assessed contributions in full, on time and without conditions. Due consideration must, however, be given to those Member States, especially the developing countries, that were unable to fulfil their obligations on account of difficult financial circumstances. His delegation noted with concern the increased assessments that had been proposed for many developing countries. While the increased rates had resulted from the elements of the scale methodology agreed upon in General Assembly resolution 55/5 B, they did not reflect the real capacity to pay of many developing countries. The problem was particularly acute in the Arab world, where the political situation and the crisis in the region were an obstacle to development.

2. The submission of multi-year payment plans reflected the desire of countries in arrears to pay those arrears. The submission of such plans, however, must continue to be on a voluntary basis.

3. **Ms. Al-Suwaidi** (United Arab Emirates) endorsed the statements made by the representative of Morocco on behalf of the Group of 77 and China and by the representative of the Syrian Arab Republic on behalf of the Group of Arab States. Her delegation was concerned at the increase in the rate of assessment for the United Arab Emirates, which followed an earlier increase and came at a time when the country, whose economy was heavily dependent on its finite oil resources, was experiencing severe financial difficulties. The statistics used as the basis for the assessment did not take into account the fact that a high proportion of the country's income was exported by its largely expatriate labour force. Nor did they reflect the fluctuations in the price of oil and the slowdown in the global economy.

4. The United Arab Emirates acknowledged the role played by the Organization in the maintenance of international peace and security, in promoting development and in the humanitarian and social fields. The cost of doing so, however, must be borne not only by those Member States that paid their assessed contributions in full, on time and without conditions, but also by Member States in arrears, which must also fulfil their obligations to the Organization. The United Arab Emirates would continue to support the United Nations as long as it had the ability to do so.

5. **Mr. Almutaa** (Libyan Arab Jamahiriya) said that his delegation associated itself with the statement made by the representative of Morocco on behalf of the Group of 77 and China and by the representative of the Syrian Arab Republic on behalf of the Group of Arab States. The proposed rates of assessment for the period 2004-2006 were higher for most Member States, especially those in the developing world. The proposed rate for the Libyan Arab Jamahiriya was particularly unfair since the country had suffered for more than a decade from the economic embargo imposed by the United Nations and from the unilateral embargo that was still in effect. The sanctions had had a severe economic and social impact on the country, including high inflation and a drop of 40 per cent in living standards. The freeze of the country's assets had also prevented it from investing abroad, and production in the crucial oil sector had declined as a result of the embargo on the sale of spare parts and equipment to the Libyan Arab Jamahiriya. The country had nevertheless continued to pay its assessed contributions to the Organization in full, on time and without conditions and to provide assistance to other developing nations.

6. **Mr. Requeijo Gual** (Cuba) said that his delegation endorsed the statement made by the representative of Morocco on behalf of the Group of 77 and China. While the rates of assessment of Member States had a direct impact on the capacity of Governments to discharge their financial obligations to the Organization, Member States must express their political support for the United Nations by fulfilling their legal obligation to contribute to its financing and pay their assessed contributions in full, on time and without conditions. The General Assembly should, however, make a distinction between the inability of some developing countries to pay their assessments because of economic difficulties and non-payment of contributions for political reasons.

7. His delegation noted with concern that approximately 84 per cent of the Member States whose rates of assessment were due to increase were

developing nations. The situation was all the more paradoxical in light of the inequities in the current system of international economic relations. While it was true that developing countries had experienced more robust growth in their gross national product for the statistical base period, in many cases Governments were being forced to make additional efforts to achieve their development objectives and internationally agreed targets, including the Millennium goals. The proposed rates, moreover, did not reflect the real capacity to pay of the developing countries, given the impact of the continuing downturn in the global economy and the persistent problem of fiscal deficits in many developing countries as a result of the decline in government revenues.

8. Cuba, which faced serious financial difficulties on account of the economic, trade and financial embargo that had been imposed more than 40 years previously, was one of the Member States whose rate of assessment was set to increase. Despite the embargo, Cuba was making extraordinary efforts to honour its financial commitments to the Organization and its record of payment was testimony to its political will. The scale methodology must be refined, however, to better reflect real capacity to pay.

9. His delegation welcomed the recommendations contained in paragraphs 21 to 41 of the report of the Committee on Contributions (A/58/11), which took account of the difficulties faced by a group of developing countries. He hoped that the practice would be continued and that consideration would be given to the requests of Member States for adjustments of their rates of assessment where such requests were due to circumstances beyond their control.

10. With regard to multi-year payment plans, his delegation was of the view that such plans should be voluntary and not linked to other measures, including the consideration of requests for exemption under Article 19 of the Charter. It also supported the request by the representative of Bosnia and Herzegovina that consideration of the arrears in payments of the former Yugoslavia should be deferred.

11. **Mr. Almansoor** (Bahrain) said that his delegation associated itself with the statements made by the representative of Morocco on behalf of the Group of 77 and China and by the representative of the Syrian Arab Republic on behalf of the Group of Arab States. It was concerned at the increase in the scale of assessments for Bahrain, which had one of the highest increases, and for other developing countries, and at the additional financial burden that it represented. The increases would no doubt have an impact on the ability of Member States to pay their assessed contributions in full, on time and without conditions. In the particular case of Bahrain, the increases were unjustified and should be revised when the scale was finalized.

12. **Ms. Rentanaar** (Switzerland) cautioned against any proliferation of requests for modification of the agreed scale methodology. Her delegation welcomed the initial observations of the Committee on Contributions on the criteria regarding ad hoc adjustments under rule 160 of the rules of procedure of the General Assembly, but shared the view that requests for adjustments might be avoided if the scale was based on more current information involving a shorter base period and automatic annual recalculation. There might also be fewer requests for the application of price-adjusted rates of exchange (PAREs) instead of market exchange rates (MERs) to determine gross national income (GNI). That would be particularly beneficial when there was no consensus as to whether or not a case could be made that an exceptional situation had arisen involving excessive fluctuations and distortions in the income of a Member State. She would welcome further guidance from the Committee on Contributions on the question of alternative conversion rates, in the light of the Committee's practical experience with the revised approach to PAREs.

13. Her delegation welcomed the additional information contained in the report of the Secretary-General on multi-year payment plans, which were a useful tool for reducing arrears and demonstrating a Member State's commitment to meeting its financial obligations. While such plans should remain voluntary, all Member States in arrears should be encouraged to submit them.

14. With regard to measures with a positive impact to encourage Member States to pay their arrears, her delegation supported the recommendation of the Committee on Contributions that it might be prudent to fix the deadline for timely payment from the date of issuance of the assessments, rather than from the date of their receipt. In order to encourage the full, timely and unconditional payment of assessed contributions, her delegation would also be willing to engage in a discussion of the specific measures that had been

considered by the Committee on Contributions at its earlier sessions, with a view to giving guidance to the Committee.

15. **Mr. Stoffer** (United States of America) said that the Committee had rightly decided to conduct its review of the scale of assessments for the period 2004-2006 on the basis of the elements of the scale methodology set out in General Assembly resolution 55/5 B. That resolution had been negotiated at a time when many countries were experiencing growth in wealth, a situation that sometimes changed quite rapidly and unexpectedly. The basic principles agreed upon in the resolution, however, remained relevant to the Committee's deliberations at the current session.

16. His delegation noted that the Committee on Contributions had in some cases agreed that modifications were necessary to address distortions in national income caused by the use of flawed or inappropriate rates of exchange. The issue of possible changes in the scale methodology, however, had not been addressed by the Committee nor was it up for discussion at the current session of the General Assembly. That was also true of requests for revisions of the scale of assessments for the apportionment of the expenses of United Nations peacekeeping operations. The methodology and instructions contained in resolution 55/235 should remain fully in effect, without exception.

17. The Committee on Contributions had provided thorough documentation in its report and its conclusions should therefore be accepted at the current session without prolonged discussion.

18. Multi-year payment plans were a useful means by which Member States in serious arrears could act on their intentions to improve their payments situation. His delegation commended those Member States that had adopted such plans, which should carry considerable weight when requests were made for temporary relief under Article 19 of the Charter.

19. With regard to the situation of the successor States to the former Yugoslavia, his delegation looked forward to any new information that might be presented on the issue.

20. **Mr. Ramlal** (Trinidad and Tobago) said that his delegation wished to associate itself with the statement made by the representative of Morocco on behalf of the Group of 77 and China. During the general debate, world leaders had reaffirmed their unswerving commitment to the high ideals and purposes of the United Nations, a timely gesture given the nature of the challenges facing the Organization as outlined by the Secretary-General in his opening statement. Implicit in the Secretary-General's remarks had been a call for Member States to rethink their conventional ways of doing business. The Fifth Committee could respond to that call by addressing the issues before it in a flexible, mature and responsible manner with a view to strengthening the United Nations. In that connection, there was a need for a greater political commitment from all Member States to pay their assessed contributions in full, on time and without conditions, but a parallel need to extend sympathetic understanding to those Member States that might be temporarily unable to meet their financial obligations on account of genuine economic difficulties. The Committee's handling of the requests for exemption under Article 19 of the Charter had been commendable and should be emulated in the Fifth Committee's deliberations.

21. With regard to the scale of assessments for the period 2004-2006, he said that his delegation abided by the General Assembly's decision, as contained in resolution 55/5 B, to fix the elements of the scale of assessments until 2006, and took the view that fixing elements of the methodology had ultimately made the task of the Committee on Contributions easier, thereby facilitating the generation of a single machine scale for 2004-2006.

22. He had taken note of the considerable efforts made by the Committee on Contributions to address the representations made by Member States regarding the preparation of the scale of assessments for 2004-2006 and was satisfied that, within the limits of the current methodology for the application of price-adjusted rates of exchange (PAREs), the Committee had acted with technical propriety. However, there was perhaps merit in the view that more systematic criteria for the use of PAREs should be developed.

23. He reiterated the general principle that capacity to pay was, and should remain, the essential criterion for determining the scale of assessments and expressed the hope that, consistent with the technical and political considerations inherent in the scale of assessments, due consideration would be given to ensuring adherence to the fundamental principles and processes that had guided deliberations on the item over the past 50 years.

24. **Mr. Al-Mansour** (Kuwait) said that his delegation wished to associate itself with the statements made by the representative of Morocco on behalf of the Group of 77 and China and the representative of the Syrian Arab Republic on behalf of the Arab Group. It fully supported the work of the Committee on Contributions and endorsed its report.

25. Despite the precarious economic situation facing many developing countries, there had been significant increases in the levels of their assessed contributions. However, they would continue to do their utmost to meet their financial obligations to the United Nations. In that connection, the sporadic financial crises experienced by the Organization were, in his view, not due to problems with the methodology underlying the calculation of the scale of assessments but rather to the failure of certain Member States to pay their assessed contributions. The political will of Member States to pay their contributions in full, on time and without conditions was essential to ensure the financial well-being of the United Nations. Kuwait had consistently demonstrated its political will in that area by being one of the first States to comply with its financial obligations.

26. Capacity to pay remained the essential criterion for determining the level of assessed contributions. Any methodology for the calculation of the scale of assessments must therefore take into account all elements affecting that capacity, in particular the special circumstances of some Member States mentioned in various General Assembly resolutions. It was imperative not to compensate for decreases in contributions from the developed countries by increasing the contributions of the developing countries.

27. **Mr. Ivashchenko** (Ukraine) said that the Committee on Contributions had unique and authoritative expertise to make proposals to the General Assembly regarding Member States' rates of assessment to the regular budget. Since the General Assembly had already agreed that the elements of the scale methodology should be fixed until 2006, the Fifth Committee should support the scale as recommended by the Committee on Contributions and, unlike in previous years, adopt the scale of assessments in an expeditious and constructive manner.

28. With regard to payment plans, he firmly believed that they should remain a voluntary tool for Governments seeking the rescheduling of their payments and must not be imposed on any Member State or automatically linked to other measures.

29. **Mr. Kovind** (India) said that his delegation wished to associate itself with the statement made by the representative of Morocco on behalf of the Group of 77 and China. The current methodology used to determine the scale of assessments, while not pretending to be very equitable and despite new and significant arrears of payment by countries facing difficult economic situations, had served the Organization well. Pursuant to General Assembly resolution 55/5 C and in accordance with rule 160 of the rules of procedure, the Committee on Contributions had reviewed and recommended the revised scale of assessments for the period 2004-2006 on the basis of that methodology.

30. Accordingly, the assessment rates of some Member States had risen significantly, including that of India, which was not surprising given the strong performance of the Indian economy in recent years. He welcomed the fact that, despite the concerns expressed by some Member States regarding the increases in their assessment rates, there appeared to be a consensus not to reopen the potentially ruinous debate on the issue of methodology until 2006.

31. Nevertheless, the financial situation of the United Nations was still a matter of some concern, owing to the high outstanding arrears of certain Member States. He hoped that the downward revision of assessments recommended by the Committee on Contributions in respect of those Member States that had not been able to meet their financial obligations on account of genuine economic difficulties would go some way towards alleviating the situation. In that connection, he endorsed the recommendations of the Committee regarding the modification of exchange rates used for those Member States in respect of which the use of market exchange rates (MERs) would cause distortions in the calculation of national income.

32. Turning to the criteria for ad hoc adjustments of the rates of assessment, he said that the deliberations of the Committee on Contributions had demonstrated that any attempt to develop such criteria was a futile exercise and that rule 160 of the rules of procedure was itself the only practicable criterion for such consideration. He hoped that the Committee would report conclusively on that matter at its next session.

33. Lastly, he reiterated the essentially voluntary nature of multi-year payment plans and commended those Member States that had presented such plans and those that had made efforts to reduce their arrears in accordance with their plans. However, he was somewhat disappointed that the Committee had been unable to elaborate further on measures to encourage Member States to pay their arrears and was ready to discuss the issue in the context of the updated information on the related experience of other organizations of the United Nations system.

34. **Mr. Kendall** (Argentina) said that his delegation wished to associate itself with the statements made by the representative of Morocco on behalf of the Group of 77 and China and the representative of Peru on behalf of the Rio Group. Capacity to pay should be the fundamental criterion in determining Member States' rates of assessment, since that capacity reflected a country's economic reality. The unprecedented financial crisis that was continuing to affect Argentina had demonstrated that a fixed exchange rate was not an adequate reflection of a country's economic reality or capacity to pay. Measuring its gross national income (GNI) on the basis of parity between the peso and the United States dollar would mean that Argentina's assessment rate for the period 2004-2006 would be calculated on the basis of a totally disproportionate GNI.

35. His delegation felt that such treatment would be unfair, and had therefore requested that, in accordance with accepted precedents, PAREs should be applied to the whole base period. Following intense discussions, the Committee on Contributions had decided to apply PAREs for the period 2000-2001 and, although his delegation maintained its belief that its original request would have been the best way of solving the problem, it respected the Committee's decision, which had been reached by consensus. Reopening discussions on recommendations reached by consensus would only complicate the work of the Fifth Committee and divest the Committee on Contributions of its authority. However, in view of the difficulties experienced by Argentina, his delegation supported the suggestion made by the representative of New Zealand regarding the need for the Committee on Contributions to develop more objective criteria for the use of PAREs.

36. **Mr. Barnwell** (Guyana) said that his delegation wished to associate itself with the statement made by the representative of Morocco on behalf of the Group of 77 and China. The Millennium Declaration remained valid in spite of ongoing debates about the future of the United Nations, and the overwhelming majority of Member States which had addressed the fifty-eighth session of the General Assembly had recognized the significance and contribution of the Organization and reaffirmed their commitment to its reform. However, the reform process would lose momentum unless Member States complied fully with their legal obligation to bear the expenses of the United Nations as apportioned by the General Assembly and to pay their contributions in full, on time and without conditions.

37. In conducting its deliberations on the question, the Fifth Committee must keep in mind that the principle objective of the methodology used for the calculation of the scale of assessments must be accuracy in determining Member States' real capacity to pay; that must remain the fundamental criterion in determining the apportionment of the expenses of the United Nations. He felt it was worth stressing that the difficult financial situation of the United Nations was not linked to the methodology used for the calculation of the scale of assessments and that a revision of that methodology would not have a significant impact on, or resolve, that situation.

38. Lastly, he emphasized that one of the most important aspects of discussions on the scale of assessments was openness and transparency in the negotiating process.

39. **Mr. Al-Bader** (Qatar) said that he had taken note of the marked and unexpected increase in the contribution rate of Qatar. The economy of Qatar was largely dependent on one or two main commodities, including oil, the price of which was subject to frequent and unpredictable fluctuations. The consequent unpredictability of the economic situation must be taken into account in the consideration of rates of assessment.

40. **Mr. Roa Arboleda** (Colombia) pointed out that his delegation had requested its removal from the speaker's list the previous morning. He hoped that the Chairman and the Secretariat would do their utmost to prevent the recurrence of such errors.

41. **Ms. Goicochea** (Cuba) recalled that, pursuant to paragraph 2 of its resolution 55/5 C, the General Assembly was due to review the position of the reduced ceiling at the end of 2003. In that connection,

she wished to know whether the Secretariat would submit a report on the question.

42. **Mr. Gilpin** (Chief of the Contributions Service) said that the Secretariat provided information on the status of Member States' contributions on a monthly basis. However, it was willing to provide the Committee with any additional information it might require.

43. **Mr. Sessi** (Chairman of the Committee on Contributions) assured the members of the Committee that their comments and observations would be conveyed to the Committee on Contributions. He was pleased that the report of the Committee on Contributions had served as a useful basis for the Fifth Committee's consideration of the scale of assessments for the period 2004-2006, and had noted members' concerns regarding the application of the methodology.

44. He believed that the Committee on Contributions would consider its approach to the scale of assessments for the period 2007-2009 at its next session. Although no decisions would be taken on the methodology to be used in that connection until 2005, any guidance from the Fifth Committee on specific issues, in particular the criteria for the use of alternative conversion rates, would be appreciated.

45. Turning to the question of multi-year payment plans, he said that the Committee on Contributions had been, and would continue to be, guided by paragraphs 17 to 23 of its report on its sixty-second session (A/57/11). In that connection, he reiterated that the Committee was committed to carefully considering the particular circumstances of each Member State on the basis of all the available information.

46. Lastly, with reference to the question posed by the representative of the United Arab Emirates, he said that the issue of the remittances of expatriates had been pointed out to the Committee two years previously and had been taken into account during its deliberations.

The meeting rose at 11.15 a.m.

United Nations A/C.5/58/SR.7

General Assembly
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Fifth Committee

Summary record of the 7th meeting
Held at Headquarters, New York, on Tuesday, 21 October 2003, at 3 p.m.

Chairman: Mr. Elkhuizen (Vice-Chairman) ..... (Netherlands)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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Agenda item 123: Improving the financial situation of the United Nations

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03-57129 (E)
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In the absence of Mr. Kmoníček (Czech Republic), Mr. Elkhuizen (Netherlands) took the Chair.

The meeting was called to order at 3.10 p.m.

Agenda item 123: Improving the financial situation of the United Nations

1. **Ms. Bertini** (Under-Secretary-General for Management) said that historically the financial health of the Organization had been measured by three baselines: unpaid assessments, cash on hand and debt owed to Member States. Underlying these elements were the adequacy of annual assessment levels and of actual payments made. At 30 September 2003, aggregate assessment levels, which comprised amounts applicable to the regular budget, the International Criminal Tribunals for Rwanda and the Former Yugoslavia, peacekeeping operations and the capital master plan had risen to $3.9 billion and could surpass $4 billion if additional peacekeeping assessments were approved for peacekeeping in Liberia.

2. With respect to the regular budget, assessments for 2003 stood at $1,409 million. As at 21 October 2003, 28 Member States had made no payments, 44 had made partial payments and only 119 had paid their assessments in full. Although the year-end figure would be higher in 2003 than in 2002, when only 117 Member States had paid their assessments in full, it would be difficult to reach the levels achieved in 2000 and 2001. The situation had not improved with respect to amounts outstanding: as at 30 September, three of the 15 major contributors (the United States of America, Brazil and Japan) had owed a total of $581 million and 75 others had owed a total of $112 million. Unpaid regular budget assessments had amounted to $693 million. That situation undermined the financial stability of the Organization; Member States should therefore pay their assessments in full and on time in order to provide the Organization with the resource base it needed to carry out its work. The Secretary-General thanked those Member States that had honoured their obligations during the current year and hoped that the remaining States would follow suit.

3. Amounts outstanding were mirrored in the Organization's cash flow projections. The current situation in cash availability under the regular budget and related reserve accounts had become critical. It was estimated that it might be necessary to borrow $125 million from peacekeeping accounts to finance the regular budget by the end of November 2003. That situation was not expected to improve until some expected payments were received. The United States of America had announced that, before the end of the year, it would make regular budget payments of between $233 million and $341 million (it had already made a contribution of $31 million to the regular budget earlier in 2003). The financial position of the Organization at 31 December 2003 would depend on the amount the United States Congress finally decided to pay: if the lower amount was paid, the regular budget would have a negative balance of $5 million; in the case of the higher amount, the cash balance would be a positive $103 million.

4. The situation with respect to the International Tribunals was more worrying. Most Member States had not paid their 2003 assessments in full: as at 30 September 2003, 116 Member States had made no payments, while 15 had made only partial payments; only 60 Member States had paid their 2003 assessments in full for both Tribunals. The amounts unpaid at 30 September 2003 had reached a level of $117 million, compared with the $49 million unpaid at the same time in 2002. Never in the history of the Tribunals had the level of unpaid assessments been so high. Five of the 15 major contributors (Japan, United States of America, Brazil, Russian Federation and Spain) had owed a total of $102 million and 126 others had owed $15 million. In the light of that situation, one had reason to wonder whether Member States really supported the existence of those bodies. The Tribunals had had a negative cash position in January, July, August, September and October 2003, and that situation was expected to prevail until the end of the year. The cash balance at the end of October was forecast to fall to a negative $41 million and to end the year with a shortfall of $29 million, which varied significantly from the earlier forecast (a positive $2 million). The persistence of shortfalls highlighted the fragile financial position of the Tribunals and the need to borrow substantially from peacekeeping operations. The financial health of the Tribunals, which was so important for stable operations, could only be restored if Member States paid their contributions in full and on time.

5. As for the capital master plan, the General Assembly had approved an appropriation of $25.5 million in 2003. As at 30 September 2003, a total of $15 million had been received from 61 Member States,

but 127 Member States had made no payment whatsoever. Since then, five additional payments had come in, bringing the total number of fully paid-up Member States to 66 at 21 October 2003.

6. The situation with regard to peacekeeping operations seemed to have improved. By the end of September 2003, outstanding assessments had totalled $1,559 million compared with the $1,776 million unpaid at 30 September 2002. On 20 October 2003, the United States had paid $252 million of the $732 million it owed. The other 14 major contributors had owed $464 million and the remaining Member States $363 million. Hence, at 21 October 2003, the total outstanding amount had been $1,307 million. The trend was therefore positive, especially bearing in mind the fact that, in 2003, the peacekeeping appropriation had been higher.

7. Projections suggested that peacekeeping cash at 31 December 2003 would work out at some $1.2 billion, although not all of that amount could be used to cover shortfalls in the regular budget and the budgets of the International Tribunals. Cash for active missions could not be cross-borrowed and cash from the reserve fund could be used only for mission start-ups or missions that were expanding. For that reason, the only source of funds was closed peacekeeping missions, and cash from that quarter was decreasing. In June 2003, $84 million had been returned to Member States and if, as planned, a further $84 million was handed back in March 2004, it would be impossible to cover the shortfalls in the regular budget and the budgets of the Tribunals.

8. To put it another way, the $831 million required for operating costs would have to be taken out of the $1.2 billion expected to be available at the end of 2003 for peacekeeping operations. An amount of $240 million was available in the closed missions, to which the Tribunals owed $41 million, and an amount of $86 million was available in the peacekeeping reserve. Nevertheless, that fund had been dipped into twice in the previous six months to fund the start-up of two missions. Peacekeeping operations evolved very fast and, when that happened, the Organization had to be able to respond immediately.

9. It was forecast that, at the end of 2003, amounts in the closed missions would reach $240 million but, in view of the repayment due in March 2004 and of missions' liabilities, which amounted to $114 million, only $42 million would be left to cover any shortfalls which might arise in 2004 under the regular budget and in respect of the Tribunals. In 2003, a total of $187 million would be borrowed from the closed missions and so that cushion would obviously be insufficient if Member States maintained the same rhythm of payments. The Organization was clearly skating on thin ice: not only could it ill afford to pay $84 million in March 2004, but the funding of mandated operations was contingent upon a marked improvement in receipts for the Tribunals and the regular budget.

10. In spite of everything, the Organization was pressing ahead with the Secretary-General's plan to keep as up to date as possible with reimbursements to the Member States which supplied troops and equipment. At 1 January 2003, Member States were owed $703 million and new obligations in 2003 were expected to stand at $694 million. According to forecasts, that figure would be lower than payments to Member States, which worked out at $832 million. Hence current estimates put the debt at 31 December at $565 million, compared with the $495 million forecast in May. Although that figure was higher than had been hoped, it represented considerable progress over the situation in the recent past.

11. Admittedly, the delay in the repayment of the sums due to Member States was unacceptable, yet some headway had been made in that respect. Equipment debt was only nine months in arrears, against one year in December 2002, and for several missions payment of troop debt was only three months behind, whereas it had been six months behind in December 2002. Two problems still existed, however: cash shortages in some ongoing missions, such as the United Nations Interim Administration Mission in Kosovo, the United Nations Mission for the Referendum in Western Sahara and the United Nations Peacekeeping Force in Cyprus; and the delay in signing memorandums of understanding which affected the United Nations Organization Mission in the Democratic Republic of the Congo, the United Nations Mission in Sierra Leone and the United Nations Mission In Ethiopia and Eritrea. It was to be hoped that the Governments and the Department of Peacekeeping Operations would sign the requisite agreements and that the problem would soon be resolved.

12. Lastly, she thanked the countries which, at 30 September 2003, had paid their assessments on time and in full, including those for peacekeeping

operations issued before 30 September 2003: Australia, Canada, the Democratic People's Republic of Korea, Germany, Kuwait, Monaco, New Zealand, Norway, Slovakia, South Africa, Sweden, Switzerland and the United Kingdom. She conveyed to them the Secretary-General's appreciation and commendation and urged the other Member States to honour their financial obligations.

The meeting rose at 3.55 p.m.

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Chairman: Mr. Kmoníček ..... (Czech Republic)
later: Mr. Elkhuizen (Vice-Chairman) ..... (Netherlands)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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Strengthening the Department of Public Information, within the existing capacity, in order to support and enhance the United Nations web site in all official languages of the Organization

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03-57702 (E)

The meeting was called to order at 10.10 a.m.

Agenda item 130: Report of the Secretary-General on the activities of the Office of Internal Oversight Services (A/57/747; A/58/294 and A/58/364)

1. **Mr. Nair** (Under-Secretary-General for Internal Oversight Services), introducing the report of the Office of Internal Oversight Services (OIOS) for the period from 1 July 2002 to 30 June 2003 (A/58/364), said that the report had followed past practice: section II, on oversight results and assessments, highlighted OIOS recommendations of critical importance to the Organization and illustrated their effect (in terms of implementation rates, intended impact, expected and actual cost savings and recoveries), while section III, on future challenges and strategic initiatives, showed the intended direction of the work of OIOS in the coming year.

2. The report also contained some new features: annex II on critical recommendations issued before July 2002 which were still awaiting implementation as of 30 June 2003, and annex IV on the OIOS risk-management framework, which listed the top ten risks to the Organization's resources and reputation and the three projects OIOS was undertaking to mitigate those risks.

3. During the reporting period, OIOS had aimed to maximize its impact on the Organization by carrying out balanced and objective oversight activities in partnership with the Member States and managers at all levels, examining administrative obstacles, making broad assessments of programmes (as the Committee for Programme and Coordination had requested) and performing consultancy work to help departments and offices with change management.

4. The Office had made 2,737 recommendations, 29 per cent of which were considered critical to the Organization because they called for improved productivity, cost savings and recovery, and accountability for fraud, waste, and abuse. As of August 2003, management had implemented over 50 per cent of all OIOS recommendations, including 33 per cent of the critical recommendations. The recommendations could potentially save the Organization approximately $37 million. Actual savings had amounted to a total of $15.4 million. Programme managers must make sustained efforts, often over a number of years, to ensure that potential improvements were achieved.

5. Significant OIOS achievements during the reporting period had included change management consulting assignments for the Department for General Assembly and Conference Management, the Office of Human Resources Management and the Department of Public Information. The Office had audited the United Nations information centres, making recommendations for an urgent rethinking of their role and impact which the Department of Public Information had begun to implement. It had recommended that the Department of Peacekeeping Operations should take action to improve the liquidation of peacekeeping missions, the procurement of goods and services from Governments and the recruitment of staff. Together with the Anti-Fraud Office of the European Union, OIOS had investigated the misappropriation of $4.2 million by a former senior staff member of the United Nations Interim Administration Mission in Kosovo (UNMIK); the German authorities had successfully prosecuted the individual concerned. With the Office of Legal Affairs and the United Nations Office on Drugs and Crime, OIOS had proposed that the Convention against Corruption, which was due to be signed in Mexico in December 2003, should include provision for criminal sanctions against international civil servants engaged in wrongful acts and for the recovery of any proceeds from such acts.

6. As the report described, OIOS had taken a new approach by identifying key risks for the Organization, which included safety and security, procurement and peacekeeping. OIOS had applied its risk-management framework to its own annual work plan in order to target its oversight assignments more effectively. Together with other departments and offices of the United Nations, OIOS was spearheading an organizational integrity initiative, using training, surveys and communication to boost integrity and professional ethics.

7. Introducing the report of OIOS on the audit of the functioning of the Headquarters Committee on Contracts (A/58/294), he said that the aim of the audit had been to assess whether the four-member Headquarters Committee on Contracts was able to fulfil its mandate effectively and efficiently with its existing structure and procedures and whether its activities added significant value to the procurement process.

8. The audit had concluded that the Headquarters Committee on Contracts had a considerable impact on procurement, having reviewed 1,498 procurement cases valued at approximately $3 billion, but that its methods could be improved. OIOS had noted that the Chairman of the Headquarters Committee was administratively responsible to the Office of Central Support Services, the functions of which included procurement. That created a potential conflict of interest, although there had been no evidence that the integrity of the review process had been compromised.

9. The Office took the view that the process would be more efficient if the current $200,000 threshold for review was increased to $500,000 or even $1 million. The reason was that procurement contracts under $1 million represented 68 per cent of the cases reviewed in numerical terms but only 11 per cent in value terms.

10. An analysis of the records of the Headquarters Committee on Contracts had shown that its members spent an average of only two days reviewing cases, even cases with significant monetary value. Although some cases involved valid exigencies or urgent operational requirements, the Committee should allocate adequate time for review. The number of exceptional submissions arriving before the Committee less than two working days before its scheduled meetings was too high, at 14 per cent.

11. The Procurement Manual's definition of exigency had not been met in many ex post facto or partial ex post facto reviews because of poor planning of requirements or delays in administrative processing. The Procurement Manual should also be revised to give a clear description of the tenure and voting process for members of the Headquarters Committee on Contracts and to include the pre-clearance procedure established in 2000 for what were likely to be straightforward procurement cases.

12. Introducing the OIOS review of the structure and operations of United Nations information centres (A/57/747), he said that the OIOS audit had highlighted the need for an urgent rethinking of the information centre concept, in terms of usefulness and continued relevance. The Department of Public Information should update the goals, strategies and objectives of the information centres and assess how much such centres were needed in developed countries.

13. Rent and office maintenance, which accounted for almost 40 per cent of the non-staff operating costs of the information centres, were highest for centres in the capitals of developed countries, which were also often allocated more staff, including more senior staff, while centres elsewhere remained underresourced and had difficulty serving their countries or regions. OIOS called for more attention to be paid to information centres in developing countries, where the public had less access to the Internet and libraries, and for the continued operation of centres, and the establishment of new centres, to be made conditional on the Member State concerned either supplying premises rent-free or providing a subsidy for rent and maintenance costs.

14. When OIOS had carried out its review, there had been no requirement for information centres to submit annual work plans to the Department of Public Information for review and approval. Although they had been required to submit monthly activity reports, only one third of the centres had been doing so regularly. OIOS had recommended that the Department of Public Information should require information centres to submit annual plans and should fill certain vacant posts in order to strengthen central monitoring.

15. The Department of Public Information should conduct an in-depth evaluation of its options to address the issues highlighted in the report. Those options included restructuring information centres on a regional basis, integrating more information centres with local United Nations Development Programme offices or offices of the lead United Nations agency in a particular country or region, and transferring some information responsibilities to civil society partners, such as United Nations Associations, in developed countries. The Department had accepted all of the 15 OIOS recommendations in the report, and had already implemented eight of them.

16. **Mr. Martini** (Italy), speaking on behalf of the European Union, the acceding countries Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia, the associated countries Bulgaria, Romania and Turkey, and, in addition, Iceland, Liechtenstein and Norway, said he was concerned that many OIOS recommendations, including some which were considered critical for the Organization, had not been implemented. However, significant improvements had been made by the implementation of OIOS recommendations relating to peacekeeping and the management of the Office of the United Nations High Commissioner for Human Rights, areas which the European Union considered a priority.

17. The European Union attached great importance to good governance and accountability and therefore welcomed and would follow closely the organizational integrity initiative. With regard to results-based management, the European Union supported the view of OIOS that senior managers must monitor progress towards planned objectives and expected accomplishments. The Secretariat's capacity for self-evaluation and self-monitoring should be further enhanced; OIOS could assist programme managers in that regard. The risk-based work-planning framework which OIOS had introduced would improve oversight work and cross-disciplinary teamwork and thus enhance its effectiveness to the benefit of the Organization.

18. The recommendations of OIOS regarding the Headquarters Committee on Contracts were welcome, as was the acceptance of those recommendations, although the European Union noted that one of them was still under consideration. With regard to the OIOS recommendations regarding the United Nations information centres, the European Union believed that rationalization along the lines of the closure of nine information centres in Europe should be followed rapidly by similar steps in other regions.

19. **Ms. Attwooll** (United States of America) said that the OIOS review of the structure and operations of United Nations information centres (A/57/747) had shown the stark reality of the centres' situation and provided sound guidance which the Department of Public Information should heed. Although the recommendations pre-dated the "hub" initiative of the Secretary-General, many of them would still be relevant.

20. The major findings of the audit had been sobering, revealing problems such as the inability to assess the information centres' relevance, impact and effectiveness; a serious lack of reporting and evaluation; a lack of criteria for allocating resources; severe underutilization of library facilities; and the need for an urgent rethinking of the concept, mandates, goals and strategies of the information centres.

21. Her delegation supported a consolidated and coordinated approach to the dissemination of information, which would target activities where the need for them was clear and make the location of centres less arbitrary. In that connection, the closure of nine information centres and the agreement between the Department of Public Information and the European Union for a hub to be operational in 2004 was a positive development.

22. Her delegation agreed fully with the comment of OIOS that the United Nations should call on civil society partners and other United Nations entities to assume greater responsibility for public information. All United Nations hub and information centre activities should be coordinated with other United Nations entities in a given region in order to avoid duplication. She asked the Department of Public Information and/or OIOS to explain what steps had been taken to respond to the request of the General Assembly in resolution 56/253 concerning questions relating to the proposed programme budget for the biennium 2002-2003 and the possibility of cost-sharing.

23. Her delegation had been particularly alarmed about the information centres' lack of planning, reporting and evaluation, which suggested that many of them were being funded for no other reason than to have an office open in a given country. It wondered why the staff of the Department of Public Information responsible for oversight and administration of the information centres had not taken steps to make sure that they were run effectively and efficiently, since field information activities absorbed approximately one quarter of that Department's budget. In the future, the existence of a hub or information centre should depend on the proven need for its presence and be accompanied by a clear operational strategy with expected results and benchmarks to assess impact.

24. Thorough and rapid reform of the United Nations information centres was needed. Individual centres should be replaced by hubs funded from resources released as a result of the closure of the individual centres. The result would be a viable system that would effectively fulfil the mandate of providing information for national constituents.

25. **Mr. Dutton** (Australia), speaking also on behalf of Canada and New Zealand, agreed that high standards of integrity and ethics were crucial to strengthening the Organization, and thus supported the organizational integrity initiative. The Secretary-General and OIOS should ensure that ethical standards were clearly defined, that all staff were appropriately trained and that there were effective systems for preventing fraud and misconduct.

26. The most important dimension of the results-based approach was the cultural shift from management that focused on output to management that focused on results. OIOS could help programme managers to make that transition. The risk-based work-planning framework which OIOS had introduced was the best way of getting the best use from limited resources.

27. The delegations for which he spoke had been concerned to read in the report of OIOS for the period from 1 July 2002 to 30 June 2003 (A/58/364, para. 26) that the Office of the United Nations High Commissioner for Refugees in Nairobi had not yet introduced an effective system for receiving and investigating complaints from refugees and that the current system of refugee registration remained open to fraud. They asked for further details of that situation. They had also been concerned to read in the report (paras. 117 to 119) that the United Nations Office at Nairobi had rejected OIOS recommendations, and called for the application of procurement rules at that Office to be clarified. Moreover, they were keenly interested in the response to General Assembly resolution 57/306 on investigation into sexual exploitation of refugees by aid workers in West Africa; the United Nations had a responsibility to protect vulnerable people in its care from sexual abuse. The publication of the Secretary-General's bulletin on special measures for protection from sexual exploitation and sexual abuse (ST/SGB/2003/13) had been a welcome step in that connection.

28. *Mr. Elkhuizen (Netherlands), Vice-Chairman, took the Chair.*

Agenda item 119: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*) (A/58/81 and A/58/211)

29. **Mr. Nair** (Under-Secretary-General for Internal Oversight Services), introducing the report of OIOS on the review of duplication, complexity and bureaucracy in United Nations administrative processes and procedures (A/58/211), said that the report highlighted a number of practical ways in which the processes under review could be improved and the need to change some of the fundamental ways in which the Organization approached its operations. Implementation of the report's recommendations would have a demonstrable effect that could in turn drive more efforts to improve the Organization's efficiency and effectiveness.

30. The review had found that many of the Organization's processes were paper-based, complex and time-consuming, all of which contributed to duplication and complexity. The Organization also imposed layers of control that slowed down processes without providing any real value. It was clearly necessary to eliminate duplicative data entry, excessive approvals and paper-based transaction processing. It was not enough, however, simply to remove those impediments without introducing suitable accountability mechanisms and systems to ensure that the Organization was not put at risk. The recommendations in the report were therefore related to the larger issue of the critical need to adopt an enterprise-wide approach to the use of information technology in automating processes and to put in place policies that would hold staff accountable.

31. The Office had worked closely with the Department of Management to identify solutions and develop the case for certain of the recommendations contained in the report. A number of the solutions for eliminating duplicative and complex processes had come from consultations with staff members. Some of the improvement initiatives begun during the course of the review had been completed by the time the report had been finalized. The task force established by the Department of Management to review the delegation of authority in the Organization would also redefine the role of the executive office, as recommended in the report.

32. In response to the scepticism of those who believed that changes were almost impossible to implement, OIOS believed that a commitment to improving the administrative processes of the United Nations should be demonstrated by the implementation of the recommendations contained in the report. It was not enough, however, to express a commitment to change. Resources were also needed, but the return on the investment could be justified not only in cost savings but also in the Organization's ability to deliver services to Member States and other stakeholders more efficiently. A structured change management process was also needed to help staff understand and buy into the new methods and procedures.

33. Introducing the report of OIOS on the audit of the Investment Management Service of the United Nations

Joint Staff Pension Fund (UNJSPF) (A/58/81), he recalled that OIOS had conducted an initial risk assessment of the operations of UNJSPF in early 2002, which had shown that the main risks were in the investment area. OIOS had therefore reassessed its audit plan and would in future place greater emphasis on the Fund's investment activities. One of its goals was to ensure due diligence in the management of investments and adherence to the best practices in the industry so as not to put UNJSPF funds at risk. Recent OIOS audits of the investment management, procurement and contract administration activities of the Investment Management Service had identified critical risks and issues in a number of areas, including policies and procedures; organizational structure and accountability; the internal control environment; a code of ethics; and contractual arrangements with investment advisers, particularly with respect to performance evaluation and value-for-money considerations.

34. A number of critical issues raised in the report related to the overall control environment at the Investment Management Service. For example, the existing organizational structure did not provide for an adequate supervisory framework and the segregation of duties. An excessive concentration of investment responsibility had also been vested in one senior investment officer, who managed nearly 30 per cent of the Fund's total investments. Moreover, contrary to the Service's Organization, Policies and Procedures Manual, the Director alone managed and supervised the Fund's real estate investments, a practice that diminished transparency and accountability for decision-making in that critical area of operations.

35. Another important issue was the Service's use of non-discretionary investment advisers, who provided economic, market and security analyses and made recommendations on investment strategy and individual investments for the Fund. There was no evidence, however, to indicate that the existing arrangement, which had cost the Fund $15.2 million for the biennium 2001-2002, added significant value in terms of the Fund's individual equity transactions. OIOS was also concerned that no performance parameters had been established against which to measure the performance of the investment advisers and the value added by their recommendations.

36. **Mr. Martini** (Italy), speaking on behalf of the European Union, the acceding countries Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia, the associated countries Bulgaria, Romania and Turkey, and, in addition, Iceland, Liechtenstein and Norway, noted with satisfaction that implementation of new administrative processes was under way or had even been completed in some offices. Since many processes remained cumbersome, inefficient and costly, however, further steps should be taken to rationalize the administrative process. Given the substantial resources that had been provided in recent years for information and communications technology, it was surprising that the Secretariat was not fully leveraging the advantages of technology or applying the modern process management practices that had been adopted by other organizations. While OIOS had focused its analysis on the processes in travel, procurement and the administration of staff entitlements, similar problems existed in other administrative areas, which the Secretariat should review. Consolidation of the delivery of common support services would mean a major shift, which was necessary in order to avoid further duplication and waste of resources.

37. **Mr. Dutton** (Australia), speaking also on behalf of Canada and New Zealand, expressed concern about the excessive size and cost of administration in many parts of the Organization. The report of OIOS on duplication, complexity and bureaucracy (A/58/211) showed that too many administrative processes were inefficient, that the full advantages of investments in information technology were not being realized and that there was scope for using delegation of authority to cut duplication in executive offices. The Secretary-General should take steps to improve the productivity of administrative functions, including through implementation of the recommendations of OIOS.

38. The audit of the Investment Management Service of UNJSPF (A/58/81) had revealed serious weaknesses in the internal control system that exposed the Fund and the staff who relied on it during their retirement to unwarranted risks. The Secretary-General should take immediate steps to remedy the deficiencies that had been identified by OIOS, which should continue to monitor the situation.

39. **Ms. Attwooll** (United States of America) said that the report of OIOS on the review of duplication, complexity and bureaucracy in United Nations administrative processes and procedures (A/58/211) confirmed her delegation's view that there was ample

room for improving the efficiency of the Organization's administrative procedures. The report and its recommendations would be an important tool in her delegation's review of the budget proposals at the current session of the General Assembly. It laid the groundwork for further examination of administrative practices, benchmarks and immediate efficiency gains and reinforced the concept that further automation would free up administrative staff to attend to higher priority activities. In that connection, it would be useful for OIOS to indicate what additional areas could benefit from a similar review and whether any such assessment had already been initiated either by OIOS or by relevant departments.

40. The Office had identified the World Bank as a useful example for benchmarking and the Organization should explore the feasibility and advantages of instituting a mobility premium similar to that used by the Bank. In addition to reducing the administrative load generated by staff entitlements, that initiative had the added benefit of promoting mobility, which was still deficient in the United Nations.

41. While she appreciated the scrutiny given to United Nations travel claims, there was ample room for reshaping and streamlining the highly inefficient system. She questioned the continued heavy reliance on manual processes, in light of the substantial time and resources that had been dedicated to information technology initiatives. The lack of oversight and accountability for the transition to an electronic United Nations represented a serious flaw in the Organization that must be set straight if the Organization was to reap the benefits of its investments in technology. OIOS had highlighted the ways in which that could be addressed, including through greater delegation of authority and consolidation of the delivery of common services.

42. **Mr. Repasch** (United States of America) acknowledged the progress that had been made in implementing the recommendations of the audit of the Investment Management Service, but expressed disappointment at the revelations of the extremely poor management of the Service resulting from a weak organizational structure, improper segregation of duties, lack of monitoring and evaluation and disregard for proper investment procedures. His delegation wished to know, in particular, how long the arrangement under which 30 per cent of the Fund's total investments had been managed by one senior investment officer had been in effect and what had been done to correct it.

43. In an operation like the Investment Management Service, documentation and record-keeping in accounting activities were of paramount importance. His delegation was therefore surprised at the Secretariat's failure to respond to the recommendation of OIOS that the verbal instructions of authorized officials should be documented. The absence of such documentation could easily lead to unauthorized transactions going undetected for extended periods of time. His delegation would welcome details about the action taken to correct that situation.

44. His delegation fully supported the view of OIOS that the United Nations code of conduct was not comprehensive enough to address the specific elements and requirements of the investment staff of the Service. Given the huge amount of the investments involved and the sensitive nature of its activity, the Service's attitude on the issue was quite frankly surprising.

45. The Investment Management Service must also be held responsible for curbing duplication and waste, including the use of both brokers and non-discretionary advisers. Considering that OIOS had found no comparable examples of such a practice in the investment industry, his delegation would insist on receiving a full justification of that costly effort. When officials were found to have mismanaged their operations, the Organization must take clear and forceful action to fix the problem, prevent its recurrence, and send a signal to the staff that there was no tolerance for such behaviour. In that regard, he wished to know what kinds of accountability measures were in place and what had happened to the officials responsible for the operations covered in the report.

46. While several of the audit recommendations had already been accepted and acted upon, others had yet to be properly addressed. His delegation hoped that the representative of the Secretary-General would give the report the prompt attention it deserved.

Agenda item 133: Scale of assessments for the apportionment of the expenses of United Nations peacekeeping operations (A/58/157)

47. **Mr. Gilpin** (Chief of the Contributions Service), introducing the report of the Secretary-General on the implementation of General Assembly resolutions 55/235 and 55/236 (A/58/157), said that the details of

peacekeeping levels, based on average per capita gross national income of Member States and other factors, were contained in annex I to the report. In its resolution 55/236, the General Assembly welcomed the voluntary commitment of several Member States to pay at a rate higher than required by their per capita income. In resolution 55/235, it requested the Secretary-General to update the composition of levels on a triennial basis, in conjunction with the review of the regular budget scale and in accordance with the criteria established in the resolution, and to report thereon to the General Assembly. The new composition of levels, including relevant transition periods, was indicated in annex II to the report. For the purposes of the updating, it had been assumed that Member States, other than Turkey, that had moved voluntarily to a higher level would remain at that level unless they indicated otherwise.

48. While none of the Member States listed in resolution 55/236 had so far indicated an intention to change their earlier status, a letter had been received from the Republic of Korea requesting that it revert to its natural level under the criteria set out in resolution 55/235. In light of the specific ad hoc arrangements which the General Assembly had decided upon, outside of the general transitional provisions of the resolution, for the Republic of Korea to gradually move up to 100 per cent of its regular budget assessment rate for peacekeeping in 2005, the Assembly would need to consider what action to take on the request from the Republic of Korea. More generally, the Committee might wish to take note of the Secretary-General's report on the updating of the composition of peacekeeping levels.

49. For purposes of illustration, annexes IV and V to the report showed the effective rates of peacekeeping assessments for the period 2004-2006, based on the regular budget scale of assessments recommended by the Committee on Contributions.

50. **Mr. Martini** (Italy), speaking on behalf of the European Union, the acceding countries Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia, the associated countries Bulgaria, Romania and Turkey, and, in addition, Iceland, Liechtenstein and Norway, commended the timely issuance of the report before the Committee. Noting that the methodology for the apportionment of peacekeeping expenses adopted by the General Assembly in resolution 55/235 had been fixed until 2009 and that the Secretary-General had been requested only to update the composition of the groups of Member States used for establishing the rates of assessment, he called for the implementation of all paragraphs of the resolution. In particular, agreements regarding the placement of Member States in the groups must be respected, as must the transition periods agreed for certain countries. The European Union could not consent to movement between groups in the next three-year scale period except as provided for in resolution 55/235.

51. **Mr. Chun** Yung-woo (Republic of Korea) said that his delegation's agreement to increase the share of the Republic of Korea in the costs of peacekeeping operations from 20 per cent of the regular budget assessment to 100 per cent over the period 2001-2005 had been based on the assumption that average per capita gross national income (GNI) over the period 1996-2001 would exceed the threshold for level B. It had not been intended as a derogation from the principles, set forth in paragraphs 9 and 11 of resolution 55/235. His delegation believed that those principles should be upheld. Accordingly, it was now requesting that the Republic of Korea should be assigned to the lowest level of contribution with the highest discount for which it was eligible. It trusted that, in reviewing that request, the Committee would take into account that the average per capita GNI of the Republic of Korea in the base period had been below the threshold for level B. The Republic of Korea was committed, however, to fulfilling its financial obligations to the Organization and was ready to move to the highest level in the scale that its economic performance should so warrant.

52. **Mr. Srisodapol** (Thailand) said that his delegation endorsed the updated composition of levels for the financing of peacekeeping operations as contained in document A/58/157 and the methodology used. It had taken note of the request by the Republic of Korea and the assumption by the Secretariat that that country should be placed in level D in 2006. It trusted that all sides could reach a mutually acceptable decision on the matter.

53. Thailand had participated actively in a number of United Nations peacekeeping and observer missions and was one of the largest troop contributors to the United Nations Transitional Administration in East Timor and the United Nations Mission of Support in East Timor. It had always paid its peacekeeping assessments in full and on time and expected other

Member States to do likewise. His delegation noted, however, that shortfalls in the peacekeeping budget owing to unpaid assessments were preventing the United Nations from reimbursing troop contributors in a timely fashion. The Organization had also been forced to cross-borrow almost $200 million from closed peacekeeping missions to fund the regular budget and the budgets of the two international Tribunals. It was to be hoped that that practice could be avoided in future, since cash for such missions should be returned to Member States, as mandated by the General Assembly.

54. Owing to its limited human and financial resources, the United Nations could not involve itself in all conflicts, nor could it allow its peacekeeping operations to become permanent fixtures. Accordingly, each peacekeeping mission should have a clear time frame and exit strategy. However, once a decision was taken to deploy United Nations peacekeepers, the international community should ensure that they had both the necessary political support and adequate financial resources to complete their mission successfully.

55. **Mr. Iida** (Japan) said that his delegation attached great importance to peacekeeping operations, which were the principal means of achieving the objectives of the Charter. It was the Security Council with its 5 permanent members and 10 non-permanent members which decided when to establish peacekeeping operations. With privilege came responsibility. The share of the five permanent members in the expenses of United Nations peacekeeping operations should reflect that responsibility, as well as their capacity to pay, a principle confirmed in paragraph 1 (d) of resolution 55/235.

56. The permanent members were currently included in level A, while Japan was in level B. However, Japan currently bore almost 20 per cent of peacekeeping expenses, paying more than the assessments of four of the permanent members combined. A growing number of Japanese tax payers felt that Japan was being treated unfairly in the United Nations. In order for the Governments of the major contributors to pay their share of peacekeeping expenses with the understanding of their taxpayers, it was imperative to establish a mechanism for dialogue between them and the Council.

57. Resolution 55/235 had introduced a systematic peacekeeping scale for the first time. The resolution must be fully implemented, since any deviation from its provisions would have serious implications for the regular budget scale.

58. **Ms. Bethel** (Bahamas) said that she had taken note of the Secretary-General's report on the implementation of General Assembly resolutions 55/235 and 55/236 (A/58/157), according to which, for the period 2004-2006, the Bahamas would move upwards from level D to level B in the scale of assessments for the apportionment of the expenses of United Nations peacekeeping operations.

59. In that connection, she recalled that the Bahamas was a small island developing State with a population of less than 300,000. It therefore had limited human and economic resources, was vulnerable in the area of defence and was susceptible to environmental disasters and external economic shocks. In addition, as an archipelago, it faced particular difficulties in the delivery of social and other services to the population of its 22 inhabited islands.

60. Against that backdrop, she wished to point out that the Bahamas had argued on numerous occasions in various international forums that per capita gross national income (GNI) should not be given undue weight in determining States' capacity to pay, as it often led to distortions. That was particularly apparent in the calculation of the scale of assessments for peacekeeping operations, according to which the Bahamas was now in the same category as the world's most developed economies, with the exception of the permanent members of the Security Council.

61. In her view, the current scale not only placed an increased burden on the Bahamas, but also penalized its efforts to achieve economic growth. The Bahamas was also at an indirect disadvantage on account of the GNI criterion, which did not adequately reflect the vulnerability of its economy or the extraordinary costs of infrastructure duplication owing to its status as an archipelago. It was ironic that the Bahamas was being called upon to assume a greater share of the financial burden for peacekeeping operations when its economy was facing serious challenges on account of actions that had been promulgated in other international forums in which it was not able to participate.

62. The Bahamas had never shirked its responsibilities as a fully fledged member of the international community and was committed to paying its assessed contributions to the United Nations in full,

on time and without conditions. The United Nations was indispensable for small States and it was in their interest to ensure that all its activities, including peacekeeping operations, were effective, efficient and properly financed.

63. **Mr. Iosifov** (Russian Federation) said that his Government attached great importance to the fulfilment by all Member States of their financial obligations to the United Nations. General Assembly resolution 55/235 on the scale of assessments for the apportionment of the expenses of United Nations peacekeeping operations had represented a compromise solution to a delicate issue. His delegation therefore wished to call for the implementation of all provisions of the resolution, which it viewed as a single whole. It also noted the decision of the General Assembly not to alter the scale methodology.

64. **Ms. Wang** Xinxia (China) endorsed the statement made by the representative of Italy on behalf of the European Union. She recalled that General Assembly resolution 55/235 had established a new system for determining Member States' rates of assessment for peacekeeping operations, which had been used to place each Member State in one of 10 contribution levels and had also provided for transition periods for States moving up by two or more levels. Given that the resolution had been the result of intense negotiations involving all Member States and that the assignment of Member States to the various contribution levels had been carried out on the basis of agreed criteria, she took the view that the provisions of the resolution should be respected in their entirety and without exception.

65. **Mr. Farid** (Saudi Arabia) said that, according to paragraph 7 of the Secretary-General's report (A/58/157), Saudi Arabia had moved upwards from level G to level F. However, the average per capita GNI of Member States used in the calculation of the thresholds for contribution levels for the period 2004-2006 was based on figures from the six-year base period 1996-2001. That constituted a deviation from the method used to calculate the scale of assessments recommended by the Committee on Contributions for the period 2004-2006, which had two base periods, of six (1996-2001) and three (1999-2001) years. Such a deviation was unacceptable, and he therefore strongly urged the General Assembly to retain the agreed method of calculation until 2006.

66. He reminded the Committee that Saudi Arabia depended on a single source of income that could be depleted or exhausted without warning. Accordingly, using GNI as a measurement of capacity to pay led to distortions.

67. *Mr. Kmoníček (Czech Republic) resumed the Chair.*

68. **Mr. Repasch** (United States of America) said that the reformed methodology for the apportionment of the expenses of peacekeeping operations had been agreed upon in 2000 following difficult and sensitive negotiations. That methodology was now fixed until 2009 so that, at the current session, the General Assembly had only to update the composition of the various contribution levels, in conjunction with the reviews of the scale of assessments for the regular budget. Accordingly, his delegation wished to confirm its view that all paragraphs of resolution 55/235 should be fully implemented, without exception, and that all previously agreed transition periods for specific Member States must be respected. In that connection, his delegation could not agree to any movement between contribution levels during the forthcoming three-year period.

69. **Mr. Gilpin** (Chief of the Contributions Service), in response to the statement made by the representative of Saudi Arabia, said that, pursuant to General Assembly resolution 55/5 B, the scale of assessments for the regular budget had indeed been prepared using the average statistics from two base periods (1996-2001 and 1999-2001). However, in accordance with paragraph 12 of General Assembly resolution 55/235, the per capita gross national product (GNP) of Member States for the purposes of the calculation of rates of assessment for peacekeeping operations was the average of the figures from a six-year (1993-1998) base period. Likewise, and in line with the observations of the Secretary-General in his earlier report providing information on the implementation of General Assembly resolutions 55/235 and 55/236 (A/C.5/55/38), the average per capita GNP figures for the six-year (1996-2001) base period should be used in updating the composition of the levels used for peacekeeping assessments for the period 2004-2006. Therefore, no deviation from the agreed methodology had occurred.

Agenda item 120: Programme budget for the biennium 2002-2003 (*continued*) (A/58/7 and Corr.1 and Add.1, A/58/154 and A/58/217)

Construction of additional office facilities at the Economic Commission for Africa

70. **Mr. Belov** (Chief of the Common Services Unit, Office of Programme Planning, Budget and Accounts), introducing the report of the Secretary-General on the construction of additional office facilities at the Economic Commission for Africa (A/58/154), said that the report in question was the second progress report submitted to the General Assembly pursuant to resolution 56/270. Paragraphs 4 and 7 described a number of difficulties encountered in the process of identifying suitable professional architectural and engineering services, which had resulted in a decision to rebid the design work and had ultimately caused a 10-month delay in the implementation of the project. Paragraph 8 of the report presented a revised schedule of design consultancy and construction activities. He noted that the unforeseen delay was not expected to affect the total cost of the project.

71. Since the publication of the report, 10 architectural companies had submitted bids for the design work and a potential contractor had been identified. The contract was currently being reviewed at Headquarters and it was hoped that work would begin before the end of October.

72. Progress had also been made with regard to land allocation. The addendum to the agreement between the host country and the United Nations was currently with the host Government for signature and it was hoped that the administrative authorities in Addis Ababa would clear the land in question and hand it over to the Economic Commission in November.

Strengthening the Department of Public Information, within the existing capacity, in order to support and enhance the United Nations web site in all official languages of the Organization

73. **Ms. Van Buerle** (Chief of the Political, Legal and Humanitarian Service, Office of Programme Planning, Budget and Accounts), introducing the report of the Secretary-General on strengthening the Department of Public Information, within the existing capacity, in order to support and enhance the United Nations web site in all official languages of the Organization (A/58/217), said that the report had been submitted in response to General Assembly decision 57/579, in which the Assembly had requested the Secretary-General to provide follow-up information on his proposals regarding parity among the official languages on the web site.

74. In accordance with the provisions of decision 57/579, the Department of Public Information had been continually updating the online News Centre in all six official languages. In addition, the Official Document System (ODS) had recently been linked to the web site, making it possible to consult over 28,000 documents in all six languages. Over the forthcoming months, and with the assistance of pro bono services, a thorough analysis of the web site would be carried out, with a view to the formulation of realistic proposals for redesigning, restructuring and refocusing it, including the multilingual aspects.

75. With regard to the programme budget for the biennium 2004-2005, the Department of Public Information had requested the redeployment of 1 P-4 post and 6 General Service posts as a result of the consolidation of the United Nations information centres. Furthermore, a number of Secretariat departments had requested additional resources in order to increase the availability of their source materials in all official languages. Lastly, she noted that the Information Technology Services Division was hoping that, within the framework of the proposed programme budget for the biennium 2004-2005, it would be possible to provide free public access to ODS. That would further enhance the usefulness of the web site, which had reached a milestone on 5 February 2003 by recording more than 10 million hits during a 24-hour period.

76. *Mr. Elkhuizen* (*Netherlands*), *Vice-Chairman, took the Chair.*

77. **Ms. Attwooll** (United States of America) said that she wished to congratulate the Department of Public Information on its efforts to enhance the web site, which was an excellent example of a public information activity with the capacity to reach wide audiences around the world and an important tool for the reduction of costly and time-consuming paper document distribution. She supported the linkage of ODS to the web site, and took the view that resources freed up from the establishment of United Nations information hubs should, first and foremost, be

redeployed to strengthen the multilingual capacity of the web site and the capacity to provide free public access to ODS. In that connection, she inquired as to the time frame for the provision of that access and also asked how the development of ODS had led to efficiencies within the Organization.

78. She welcomed the fact that the Department was aggressively pursuing and enlisting the pro bono assistance of the global academic community in translating documentation, and urged it to use and expand that relationship to the extent possible. Other departments of the Secretariat had been encouraged to provide materials in all six official languages on a more regular basis. While she had no objection in principle to that course of action, she wished to remind those concerned that the web site was a tool, not an official document, and that Secretariat staff were only required to know one of the two working languages of the United Nations. In that connection, she inquired as to which departments had requested additional resources from the proposed programme budget to facilitate additional translation and to what extent that would free up resources in the Department of Public Information that had previously been dedicated to translation.

79. Lastly, she hoped that the planned pro bono analysis of the web site would take into account the investment in information technology requested under the proposed programme budget for 2004-2005 and the ways in which that investment would have a positive effect on the development of the site.

Organization of work

80. **Ms. Afifi** (Morocco), speaking on behalf of the Group of 77 and China, said that the Group had not yet finalized its position on agenda item 125 "Pattern of conferences" and would therefore be unable to participate meaningfully in the informal consultations on the item scheduled for the afternoon of Friday, 24 October 2003. She requested the Chairman to allow the Group to use that time to coordinate its position.

81. **Ms. Attwooll** (United States of America) said that the afternoon of Wednesday, 22 October 2003, had already been set aside for the Group. Her delegation had hoped that the Committee would complete its consideration of item 125 by the end of the week. If the Committee was not to discuss the item the following afternoon, the Chairman should inform members how he proposed to use that time.

82. **Mr. Martini** (Italy), speaking on behalf of the European Union, the acceding countries Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia, the associated countries Bulgaria, Romania and Turkey, and, in addition, Iceland, Liechtenstein and Norway, expressed support for the views of the previous speaker. His delegation had agreed to the programme of work on the understanding that some items, including item 125, would be dealt with expeditiously, and he trusted that the Committee would proceed on that basis.

83. **The Chairman** said that the Bureau would consider the matter at its 9 a.m. meeting the following day.

84. **Ms. Attwooll** (United States of America) said that the Bureau should endeavour to resolve the matter no later than the close of business that day so that delegations could prepare properly for the Committee's deliberations the following day.

Other matters

85. **Mr. Herrera** (Mexico) said that the Secretariat had yet to reply to the questions posed by the representative of Costa Rica regarding the ban on smoking in the conference rooms. His delegation had looked forward to the response by the Secretariat since it had some doubts about the manner in which the decision had been taken.

86. **Mr. Abelian** (Secretary of the Committee) said that the representative of Costa Rica, who was currently absent, had requested that the Secretariat wait until her return before replying to the questions she had raised. He would, however, communicate the concerns expressed by the representative of Mexico to the relevant officials.

The meeting rose at 12.10 p.m.

United Nations A/C.5/58/SR.9

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Summary record of the 9th meeting
Held at Headquarters, New York, on Friday, 24 October 2003, at 10 a.m.

Chairman: Mr. Bouheddou (Vice-Chairman) ..... (Algeria)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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Agenda item 119: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Report of the Office of Internal Oversight Services on the review of duplication, complexity and bureaucracy in the United Nations administrative processes and procedures (*continued*)

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Strengthening the Department of Public Information, within the existing capacity, in order to support and enhance the United Nations web site in all official languages of the Organization (*continued*)

In the absence of Mr. Kmoníček (Czech Republic), Mr. Bouheddou (Algeria), Vice-Chairman, took the Chair.

The meeting was called to order at 10.10 a.m.

Agenda item 118: Financial reports and audited financial statements, and reports of the Board of Auditors (*continued*)

Draft resolution A/C.5/58/L.7

1. **Mr. Elnaggar** (Egypt) introduced draft resolution A/C.5/58/L.7 on behalf of the Chairman.

2. *Draft resolution A/C.5/58/L.7 was adopted.*

Agenda item 119: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Outsourcing practices (*continued*)

Draft resolution A/C.5/58/L.4

3. **Ms. Lock** (South Africa) introduced draft resolution A/C.5/58/L.4 on behalf of the Chairman.

4. *Draft resolution A/C.5/58/L.4 was adopted.*

Report of the Joint Inspection Unit on management audit review of outsourcing in the United Nations and United Nations funds and programmes (*continued*)

Draft resolution A/C.5/58/L.5

5. **Ms. Lock** (South Africa) introduced draft resolution A/C.5/58/L.5 on behalf of the Chairman.

6. *Draft resolution A/C.5/58/L.5 was adopted.*

Report of the Joint Inspection Unit on common and joint services of United Nations system organizations at Vienna (continued)

Draft resolution A/C.5/58/L.6

7. **Ms. Udo** (Nigeria) introduced draft resolution A/C.5/58/L.6 on behalf of the Chairman.

8. *Draft resolution A/C.5/58/L.6 was adopted.*

Agenda item 120: Programme budget for the biennium 2002-2003 (*continued*)

Report of the Joint Inspection Unit on United Nations system revenue-producing activities (continued)

Draft resolution A/C.5/58/L.8

9. **Mr. Kramer** (Canada) introduced draft resolution A/C.5/58/L.8 on behalf of the Chairman.

10. *Draft resolution A/C.5/58/L.8 was adopted.*

Report of the Joint Inspection Unit on support costs related to extrabudgetary activities in organizations of the United Nations system (*continued*)

Draft decision A/C.5/58/L.3

11. **Mr. Kendall** (Argentina) introduced draft decision A/C.5/58/L.3, drawing attention to an error in the Spanish version of the text.

12. **The Chairman** said that the Secretariat had taken note of the error and would correct it.

13. *Draft decision A/C.5/58/L.3 was adopted.*

Agenda item 134: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

Draft resolution A/C.5/58/L.9

14. **Mr. Kendall** (Argentina) introduced draft resolution A/C.5/58/L.9 on behalf of the Chairman.

15. *Draft resolution A/C.5/58/L.9 was adopted.*

Draft resolution A/C.5/58/L.10

16. **Ms. Lock** (South Africa) introduced draft resolution A/C.5/58/L.10 on behalf of the Chairman.

17. *Draft resolution A/C.5/58/L.10 was adopted.*

Agenda item 130: Report of the Secretary-General on the activities of the Office of Internal Oversight Services (*continued*) (A/57/747; A/58/294 and A/58/364)

18. **Mr. Sun** Xudong (China) welcomed the recommendations contained in the report of the Office

of Internal Oversight Services (OIOS) (A/58/364), which would contribute to the improvement of management and efficiency and the achievement of cost savings in the United Nations. However, he noted with concern the Office's claim, with regard to the waste and fraud it had exposed, that the actions recommended by it, if implemented, would save the Organization approximately $37 million.

19. The case of the former senior staff member of the United Nations Interim Administration Mission in Kosovo (UNMIK) who had misappropriated $4.2 million had exposed serious deficiencies in the financial management of the Mission that needed to be corrected so as to prevent the recurrence of such incidents. The OIOS recommendations on the requisitioning function of the Department of Peacekeeping Operations also merited serious consideration.

20. Noting that, of the 2,737 recommendations issued by the Office during the year under review, 50.6 per cent had already been, or were being, implemented, he called for all OIOS recommendations, particularly critical recommendations, to be carefully studied by the departments concerned and implemented in a timely fashion. His delegation recognized that implementation rates increased with the passage of time, as demonstrated by the rate of 90.6 per cent for recommendations issued between July 1999 and June 2000, and that when the management of the United Nations improved, the number of recommendations would fall. Lastly, it noted that, only by identifying and resolving problems could the Organization do a better job.

21. **Ms. Pfisterer** (Switzerland) welcomed and endorsed the annual report of OIOS (A/58/364). It was encouraging to note that about half of all the recommendations had already been implemented and that OIOS had identified substantial potential savings within the United Nations, of which a considerable proportion had already been recovered. Her delegation had followed with great interest the launching of the organizational integrity initiative the previous May and agreed with OIOS on the importance of integrity and professional ethics in the Organization. In that context, it was particularly pleasing to learn of the recovery of $4.2 million that had been misappropriated by a former senior staff member of the United Nations Interim Administration Mission in Kosovo (UNMIK).

22. Her delegation welcomed the new approach taken by OIOS to identify key risk areas in oversight work; the application of a risk-management framework to its annual work plan would enhance the overall effectiveness of the Office and should lead to an improved selection of oversight assignments to focus on areas that had the greatest exposure to fraud, waste, abuse, inefficiencies and mismanagement. Her delegation greatly appreciated the work of OIOS in promoting responsible administration of resources, a culture of accountability and transparency, and improved programme performance.

23. **Mr. Repasch** (United States of America) said that OIOS was to be commended for its development of a risk-management framework to target oversight assignments; for its emphasis on integrity, especially among senior managers; and for its role in promoting results-based management and managerial accountability.

24. The report before the Committee (A/58/364) clearly demonstrated the need for continuing efforts to change the culture of the Organization. There were still too many examples of inefficiency, waste and mismanagement in a variety of areas. In that connection, he called for immediate action to realize the remainder of the $37 million in savings recommended by the Office and to implement the 28 per cent of OIOS recommendations that remained outstanding.

25. With regard to the theft of $4.2 million by a senior UNMIK staff member, he asked how such a crime could have escaped the notice of that individual's supervisor and what steps were being taken to hold him or her accountable. Concerning the finance assistant at the International Criminal Tribunal for Rwanda who had received kickbacks from defence teams, he had been appalled to learn that the charges against the staff member had been dismissed based on his unsupported claim that the funds from the defence investigators were loans that they were repaying. He would like to know what the status of the case was and why the staff member remained employed by the Tribunal. As to the former representative of the Secretary-General who had solicited at least $500,000 from donor countries by setting up an unauthorized informal financial system, similar to a United Nations trust fund, as well as falsifying mission subsistence allowance claims, he asked what safeguards had been put in place to ensure that such misconduct did not recur and why the

Secretariat had declined to take recovery action with respect to the mission subsistence allowance.

26. He expressed regret that the Standing Committee of the United Nations Joint Staff Pension Fund had decided to discontinue the internal audit services of OIOS and instead establish its own internal audit unit against the advice of the Advisory Committee on Administrative and Budgetary Questions (ACABQ). Notwithstanding the decision by the Pension Fund, OIOS would remain responsible, under its mandate, for the oversight of the Organization's resources and staff.

27. Managerial accountability was a recurrent theme in the OIOS report. In order to ensure that managers were held accountable, the United Nations must strengthen evaluation mechanisms and establish a tangible link between outcomes and resource requests. He welcomed the recently launched organizational integrity initiative and thanked the Government of Norway for providing the necessary funding. As the Under-Secretary-General for Internal Oversight Services had stated, the United Nations must lead by example and ensure that integrity and professional ethics guided all its work.

28. Lastly, he proposed that the Committee should take note with appreciation of the OIOS report, thus saving meeting time for other issues.

29. **Ms. Lock** (South Africa) said that the work of OIOS was contributing to the Secretary-General's efforts to ensure greater accountability and improve performance throughout the Organization. The large number of OIOS reports that had been submitted to the General Assembly during the period under review, the wide range of issues covered and the potential cost savings and sums recovered bore testimony to the importance of having effective oversight mechanisms.

30. The annual report of OIOS (A/58/364) provided Member States with an opportunity to evaluate the performance of the Organization and monitor the effectiveness of its use of resources. Her delegation noted the increase in the number of recommendations of OIOS during the period under review in comparison with preceding years, in particular the number of critical recommendations, and appealed to programme managers to implement the recommendations without delay and to ensure that abuses such as those identified by OIOS did not recur. It was encouraging to note that the majority of critical recommendations over the previous three reporting periods had been implemented.

31. Her delegation attached great importance to oversight activities which, in particular, related to peacekeeping operations, humanitarian and related activities and development initiatives in Africa and elsewhere in the developing world. The findings pointing towards instances of sexual abuse and exploitation, poor cash management, unreliable accounting practices, inadequate record keeping of mission equipment, alleged fraudulent activities and non-compliance with procurement guidelines were therefore a matter of great concern and remedial action needed to be taken to ensure the effective functioning of the Organization in the field.

32. Her delegation also viewed as essential the effective functioning of the Economic Commission for Africa and the United Nations Office at Nairobi and was confident that the implementation of the OIOS recommendations would reinforce the positive roles to be played by the Commission and the Nairobi Office in advancing the development agenda in Africa.

33. The OIOS review of the operations of United Nations information centres (A/57/747) was timely but her delegation noted with concern the apparent inequity in the emphasis placed on United Nations information centres in developed and in developing countries. As pointed out by OIOS, information centres in developed countries which had easy public access to the Internet and library facilities demanded a managerial approach different from that which was appropriate in developing countries. Experience from developed countries could not be simply transplanted to developing countries and it was to be hoped that the Department of Public Information, in implementing the recommendations, would ensure the effective distribution of information about the United Nations while taking the unique needs of developing countries into account.

34. In conclusion, her delegation commended OIOS for attempting to rationalize its allocation of resources and improve the targeting of its oversight assignments by applying a risk-management framework to its annual work plan; she looked forward to consideration of the outcome of the resulting increased cross-disciplinary teamwork in OIOS later in the session and welcomed the ongoing consultations between the Office, the Joint Inspection Unit and the Board of

Auditors which, she hoped, would prevent any duplication of their functions and improve coordination between them.

35. **Mr. Yamanaka** (Japan) said that his country attached great importance to oversight functions and commended the work of OIOS.

36. His delegation welcomed the annual report of OIOS (A/58/364), in particular the strategy developed by OIOS of focusing on five main themes, as described in paragraph 124 of the report. It noted with interest, in particular, the use of a risk-management framework to identify and prioritize areas that were considered to have the greatest vulnerability to fraud, waste, abuse, inefficiency and mismanagement. In view of the importance of integrity to the Organization, his delegation would closely monitor the implementation of the organizational integrity initiative launched by the United Nations. Following the full incorporation of results-based budgeting in the budget process, results-based management was particularly relevant. His delegation looked forward to receiving the forthcoming programme performance report for the biennium 2002-2003, which would reflect the shift in focus from the implementation of outputs to results achieved. The backlog of cases to be investigated was highly undesirable and it was to be hoped that the investigation of those cases would be expedited and the backlog reduced by making use of the new posts that were currently approved.

37. Turning to the OIOS report on the audit of the functioning of the Headquarters Committee on Contracts (HCC) (A/58/294), he said that the recommendations would make a great contribution to improving the functioning of HCC and noted with satisfaction that most of the recommendations had been accepted by management and by the Chairman of HCC. Concerning the organizational placing of HCC (recommendation 1) his delegation felt that OIOS and management should continue to consult on that matter in view of the potential conflict of interest that existed. The threshold for HCC review of the threshold for procurement cases should be carefully considered by management, taking into account both the aspect of practicality and efficiency and the mandate of HCC. His delegation was concerned that most of the ex post facto or partial ex post facto cases did not meet the Procurement Manual's definition of exigency and asked for follow-up information concerning recommendation 5 to be provided to Member States in that connection.

38. Turning to the report on the review of the structure and operations of United Nations information centres (A/57/747), he said that his delegation believed that the concept of regional hubs was a valid one from the viewpoint of improving efficiency and effectiveness. At the same time, it was important to weigh what would be lost by closing existing United Nations information centres against the potential gain resulting from restructuring in terms of reinforced activities. The overall support of a host government would be fully taken into account rather than focusing on particular elements. Information in local languages had the strongest impact on local populations and the Department of Public Information should therefore continue its public information activities in various languages.

39. **Ms. Afifi** (Morocco) said that it was highly important for the Organization to have internal control mechanisms to identify irregularities in management and to make recommendations to remedy them. Programme managers should take advantage of the recommendations which were aimed at enhancing the operational efficiency of the Organization.

40. Turning to the report of the Office of Internal Oversight Services covering the period from 1 July 2002 to 30 June 2003 (A/58/364), she said that her delegation welcomed the fact that the report was viewed in the context of the organizational integrity initiative which had been launched earlier in the year and was designed to strengthen integrity and professional ethics in the Organization.

41. The workload of OIOS was constantly increasing and the Office had put in place a system of prioritizing the demands placed upon it. Such an approach could only enhance the efficiency of the work of the Office if it were applied in such a manner as not to distract attention from problem areas other than high-risk areas to which the Member States attached great importance.

42. The coordination that had been achieved between OIOS, the Joint Inspection Unit and the Board of Auditors, which would inevitably be of benefit to the Organization by avoiding duplication and overlapping of responsibilities, was to be welcomed.

43. Her delegation noted that the implementation rate of the OIOS recommendations barely reached 50 per

cent. Particular attention should be paid to that matter since implementation of the recommendations could improve performance and lead to a more rational utilization of the Organization's human and financial resources.

44. In conclusion, her delegation asked why the reports of OIOS had not yet been brought into line with the format for reports specified in resolutions adopted by the General Assembly. Concerning the content of the report, her delegation wondered why OIOS continued to monitor compensation issues for the United Nations as a whole, despite the existence of a legal opinion which indicated that certain aspects of the matter were not within the mandate of the Office.

45. **Ms. Udo** (Nigeria) said that the annual report of OIOS demonstrated the hard work performed by the Office on behalf of the Organization. Her delegation was pleased, in particular, to note the strategic initiatives undertaken by OIOS to instil a management culture based on integrity, accountability and transparency. It was gratifying to note that over 50 per cent of all recommendations made by OIOS had been implemented by the management of the offices investigated and that savings and recoveries totalling some $37 million had been identified, of which some $15 million had already been collected. Her delegation was, however, concerned that, in some instances, there was no indication that the recommendations had been accepted or that there were plans to implement them. She also noted that the Office of the United Nations High Commissioner for Refugees (UNHCR) had still to provide responses in some areas.

46. There was no doubt that the Department of Public Information should reassess its approach to the United Nations information centres, particularly those in developing countries where the vast majority of the population had no access to information and communication technologies. The Department was one of the three pillars identified by Member States to help with the implementation of initiatives under the New Partnership for Africa's Development (NEPAD) and any restructuring should therefore be carried out in such a way as to enable the United Nations information centres in developing countries to carry out their mandated activities. In conclusion, her delegation reaffirmed its support for OIOS and urged the Office to intensify its tripartite efforts in collaboration with the Joint Inspection Unit and the Board of Auditors.

47. **Mr. Farid** (Saudi Arabia) urged programme managers to implement fully the 67 per cent of outstanding critical recommendations of OIOS before 30 June 2004, to become fully involved in the development of the plans for their programmes and to take full account of the objectives and expected accomplishments, as well as the indicators of achievement used to measure their results.

48. **Mr. Ramlal** (Trinidad and Tobago) expressed his support for the work of OIOS in the context of its mandate to assist the Secretary-General in improving the efficiency and effectiveness of the implementation of the programmes and legislative mandate of the Organization. He also welcomed the introduction of the OIOS organizational integrity initiative and the cooperation of the Office with the Joint Inspection Unit and the Board of Auditors with a view to eliminating overlap and ensuring improved division of labour.

49. However, while he appreciated the efforts of OIOS to instil a culture of accountability, he wondered whether, bearing in mind its mandate as an internal oversight, investigative and inspection body, it was best placed to promote results-based management. It was not his intention to discourage OIOS from its proposed work in the area of enhancing self-monitoring and self-evaluation, but he felt that more thought should be given to how the Secretary-General and the General Assembly as a whole could best pursue the implementation of results-based budgeting and management.

50. Lastly, he felt that it might be beneficial for OIOS to focus more closely on its immediate work programme in order to ensure a greater success rate in the implementation of its existing recommendations.

51. **Mr. Jonah** (Sierra Leone) said that any organ that saved the United Nations $36 million had done its job well. He was particularly concerned about the report's findings that some United Nations staff members had committed serious transgressions. It was difficult to believe that staff members were capable of committing the acts described in the report and he wondered whether the entry of such persons into the United Nations system was a result of the rapid expansion of peacekeeping operations.

52. He wished to draw attention to the important role played by United Nations information centres in developing countries; they were often the only reliable

source of information about the United Nations that was available to students in those countries.

53. **Mr. Eljy** (Syrian Arab Republic) regretted the failure to implement many of the recommendations on savings and management of resources. The embezzlement of $4.2 million from the United Nations Mission in Kosovo (UNMIK) raised the issue of accountability. In his view, delegation of authority had not been matched by an effective system of accountability and due priority must be given to that issue.

54. His delegation was also disappointed at the preferential treatment given to United Nations information centres in the developed countries in terms of the number of posts and operations, despite the fact that the availability of technology gave the public in those countries easier access to information than the public in developing countries.

55. Lastly, in carrying out its audit activities, OIOS should remain within its mandate and not go beyond it, as it had done in some of the reports now before the Assembly.

56. **Mr. Nair** (Under-Secretary-General for Internal Oversight Services), addressing the concerns that had been expressed about the number of staff members who had committed offences, said that the United Nations was a large Organization handling large amounts of money. Given that situation, it should come as no surprise that there would be cases of individuals who transgressed the rules and regulations. What was important was to bring such cases to light immediately and to ensure that there was no escalation in the trend. It was particularly important to look at preventive measures and that was why OIOS had launched an organizational integrity initiative. As to why some problems had gone undetected for long periods, he said it was not realistic to have 100 per cent oversight. It was possible, however, to implement measures to increase the rate of detection and to reduce and deter such cases. He wished to take the opportunity to remind members that in order to carry out its work effectively, his Office must be given adequate resources.

57. On the question of why the staff member who had received kickbacks at the International Criminal Tribunal for Rwanda was still employed, he said that he, too, had questioned that decision and agreed that it sent the mistaken signal that the Organization was prepared to tolerate such behaviour.

58. With regard to the format of his Office's annual report, in which recommendations were not highlighted in bold type, as required by the General Assembly, he explained that OIOS was merely reporting on recommendations it had already made and was not now submitting to the Assembly recommendations on which the Assembly was required to act.

59. Lastly, on the question of why OIOS was still auditing certain aspects of the work of the United Nations Compensation Commission, despite the legal opinion that it was outside its mandate, he pointed out that the legal opinion was with respect to claims made by the Commission. OIOS was of the view that, in order to protect the Organization and its assets, it should audit all processes leading up to the decisions on the claims.

Agenda item 119: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*) (A/58/81 and A/58/211)

Report of the Office of Internal Oversight Services on the review of duplication, complexity and bureaucracy in United Nations administrative processes and procedures (*continued*)

Report of the Office of Internal Oversight Services on the audit of the Investment Management Service of the United Nations Joint Staff Pension Fund (*continued*)

60. **Mr. Martini** (Italy), speaking on behalf of the European Union, the acceding countries Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia, the associated countries Bulgaria, Romania and Turkey, and, in addition, Iceland, Liechtenstein and Norway, said that the European Union was concerned about the excessive concentration of responsibility for the investments of the Pension Fund. It was also concerned about the use by the Investment Management Service of non-discretionary investment advisers, whose services had cost the Fund $15.2 million in the biennium 2001-2002, even though OIOS had found no evidence that their services had added significant value in terms of the Fund's individual equity transactions. Nor had OIOS found any comparable examples in investment industry practices of managers who had at their

disposal both full-service brokers and non-discretionary investment advisers. The European Union therefore shared the recommendation of OIOS that the practice should be thoroughly reviewed.

61. On the subject of a code of ethics for staff involved in investment management, the European Union noted the position taken by the representative of the Secretary-General, but agreed with OIOS that investment staff should follow a code of ethics established for professionals operating in the investment industry.

62. **Mr. Yamanaka** (Japan), referring to the report on the review of duplication, complexity and bureaucracy in United Nations administrative processes and procedures (A/58/211), said that OIOS had provided a number of valuable observations and recommendations to streamline and rationalize administrative and financial functions. In particular, the review had revealed that the Secretariat did not take full advantage of technology despite the substantial investment that had been made in information technology. His delegation particularly commended the recommendations regarding the rationalization of the travel process, procurement and staff entitlements, and also agreed with the observation made the previous day by the Under-Secretary-General for Internal Oversight Services that the recommendations were also related to the larger issue of the need to adopt an enterprise-wide approach to the use of information technology in automating processes and to put policies in place that would hold staff accountable. In that connection, his delegation fully agreed that there was a need to redefine the role of the executive offices and the administrative offices in the Secretariat.

63. With regard to the audit of the Investment Management Service of the United Nations Joint Staff Pension Fund (A/58/81), he said that his delegation was very concerned about the alarming structural and organizational shortcomings of the Fund that had been identified by OIOS, such as the lack of an adequate supervisory framework and segregation, an excessive concentration of investment responsibility and a lack of monitoring of contract compliance or review of vendor performance. It was particularly concerned about the situation described in paragraphs 15 and 16 regarding the use of non-discretionary investment advisers. The observations of OIOS on that matter warranted careful review by UNJSPF.

64. **Ms. Bertini** (Under-Secretary-General for Management) said that, upon her assumption of office, she had embarked on a review of the status of implementation of the recommendations of OIOS, most of which had been accepted by her predecessor in office. She had retained the global consulting firm of Deloitte & Touche to provide guidance on the way forward. The firm had noted that the recommendations of OIOS indicated not a collapse of procedures and controls but gaps in the processes and the absence of audit trails. One important finding was that the Fund had unique characteristics compared to other pension funds.

65. The Office of Internal Oversight Services had withdrawn three of its 29 recommendations and implementation of 21 others, which concerned procedures and controls, was under way. Many of the remaining recommendations concerned human rights and staffing issues, and therefore went beyond the purview of the Investment Management Service. She had adopted a two-track approach to review control and management mechanisms, with input from the Pension Board on some issues. The process of selection of the new Director to lead the Investment Management Service into the future was also well under way. The staff of the Service were dedicated United Nations civil servants who were responsible for managing a very large Fund that had shown signs of a strong recovery in recent months and she was confident that the basic procedures of the Fund were well in hand.

66. **Mr. Repasch** (United States of America) asked whether the services of the non-discretionary investment advisers would be retained in the light of the OIOS finding that there was no evidence to indicate that their use had added any significant value to the decision-making process for individual equity transactions. He also sought clarification as to whether the Administration now accepted the need for a special code of ethics for staff involved in investment operations in line with standard investment industry practices.

67. **Ms. Bertini** (Under-Secretary-General for Management), in response to the comments of the representative of the United States of America, said that it was not fair to suggest that the Secretary-General had not felt the need for a code of ethics. In truth, the issue had not been addressed before OIOS had drawn attention to it, but a number of the financial advisers had also mentioned the need for such a code to

her. She assured the Committee that a strict code of ethics for staff members involved in investment operations would be introduced.

68. As far as non-discretionary investment advisers were concerned, they served as research staff and were employed on a contractual basis. In the course of the current review, the Department of Management would be evaluating their role and the cost-effectiveness of their services, bearing in mind the Organization's ongoing need for investment advice.

Agenda item 120: Programme budget for the biennium 2002-2003 (*continued*) (A/58/7, and Corr.1 and Add.1, A/58/154 and A/58/217)

Construction of additional office facilities at the Economic Commission for Africa (*continued*)

Strengthening the Department of Public Information, within the existing capacity, in order to support and enhance the United Nations web site in all official languages of the Organization (*continued*)

69. **Mr. Yamanaka** (Japan) said that he had taken note of the ten-month delay in the implementation of the project to build additional office facilities at the Economic Commission for Africa in Addis Ababa. He believed that the Secretariat had taken the best course of action under the circumstances and urged it to continue with its efforts to push the project forward.

70. Turning to the United Nations web site, he took the view that public information activities should not be restricted to the six official languages. In terms of financing, he felt that any additional expenditure required for the enhancement of the web site should be provided through the redeployment of existing resources and, in that connection, recalled the principles set out in General Assembly resolution 41/213.

71. **Mr. Farid** (Saudi Arabia), with reference to the report of the Secretary-General on strengthening the Department of Public Information, within the existing capacity, in order to support and enhance the United Nations web site in all official languages of the Organization (A/58/217), said that his delegation commended the efforts of the Secretary-General. In recent years, the Arabic version of the web site had been getting an increasing number of hits; additional financial and human resources were therefore required if that momentum was to be retained. Considerable effort was needed to maintain the Arabic site, especially in terms of translating documentation from the other official languages and placing it on the site; he therefore called for the allocation of the necessary posts for that purpose.

72. **Ms. Udo** (Nigeria), with reference to the report of the Secretary-General on the construction of additional office facilities at the Economic Commission for Africa (A/58/154), recalled that the General Assembly had repeatedly stressed the need for all United Nations offices and agencies to be treated fairly and equally, and it was for that reason that the construction work in Addis Ababa had been approved by resolution 56/270. She therefore wished to express her dissatisfaction at the ten-month delay in the implementation of the project.

73. With regard to paragraph 4 of the report, she did not understand how bids from poorly qualified architectural and engineering firms could have made it past the initial vetting process and she asked for clarification in that connection.

74. She also wished to know whether the project would now proceed in line with the revised schedule contained in paragraph 8 of the report or whether further delays were anticipated. Moreover, she noted that the funds for the construction work had already been released, and, in that connection, inquired whether, given the difficulties already encountered, those funds would be adequate to meet the costs of the project.

75. **Mr. Hao** Bin (China) said that the United Nations web site in all official languages provided the general public in the Member States with an effective tool that allowed them direct and rapid access to information about the Organization. The United Nations News Centre in Chinese had become operational just before the opening of the fifty-eighth session of the General Assembly, thereby enabling more Chinese speakers to consult the site. That would undoubtedly increase the influence of the Organization in China.

76. Nonetheless, parity among the official languages on the web site had yet to be achieved. It was a source of concern to his delegation that the Chinese site, in particular, was suffering from weak capacity and a shortage of material. In accordance with decision 57/579, the Secretary-General had been requested to

enhance parity among the official languages through the redeployment of existing human and material resources, and he urged all those concerned to pursue their efforts in that direction.

77. **Mr. Eljy** (Syrian Arab Republic) said that he supported the enhancement of the United Nations web site with a view to achieving complete parity among the six official languages. He was pleased that the popularity of the site among the general public was increasing, a trend that was due in no small part to multilingualism, and was convinced that the number of hits it received would continue to rise. The web site was a useful tool with which to publicize the objectives of the Department of Public Information and of the Organization as a whole and, in that respect, he reaffirmed the need to allocate the necessary resources for that purpose. He had also taken note with satisfaction of the linkage of the Official Documents System (ODS) to the web site and the consequent availability of United Nations documents in all six official languages.

78. Nevertheless, despite the efforts of the Department of Public Information, the Arabic pages were still not of the same quality as the pages in other languages. He, therefore encouraged the Department to request additional human and financial resources in order to rectify that situation and ensure that all six official languages were on an equal footing.

79. He stressed the importance of respecting the principles of the impartiality of information in documents published in all official languages and of the simultaneous publication of documents in all those languages. He was surprised that some departments were failing to respect the latter principle.

80. **Mr. Belov** (Chief of the Common Services Unit), in response to the questions raised by the representative of Nigeria, said that the initial bidding exercise for architectural and engineering services had been conducted on the basis of the original schedule set out in document A/57/322. The outcome of that exercise had been unexpected, and the decision to re-bid had caused the ten-month delay referred to in paragraph 7 of the Secretary-General's report. However, there was no indication at the present time that the construction project would be subject to further delays and the revised schedule, as set out in paragraph 8 of the report, was being adhered to.

81. With regard to the financing of the project, he said that the US$ 7.7 million budget approved in 2002 by the General Assembly for the project was currently in the construction-in-progress account and would not be used for any other purpose.

82. **Ms. Udo** (Nigeria) asked whether the design and preparation of tender and construction documents, which was due to take place from September 2003 to May 2004, had begun.

83. **Mr. Belov** (Chief of the Common Services Unit) said that work had indeed started on that stage of the project. He expected that the relevant documents would be prepared on time.

The meeting rose at 12.15 p.m.